C2700-1

Automotive News

May 19, 1986

60th year—$50.00 per year, $1.25 per copy

©Entire contents copyright, 1986, by Crain Automotive Group, Inc. All rights reserved. Reproduction or use of editorial content in any manner without permission is strictly prohibited.

Joe Wissert

Iacocca: Chrysler looking ahead

Chrysler Corp. Chairman Lee Iacocca told shareholders attending the company's annual meeting in New York last week that the company can finally begin planning for the decades ahead. Stories on Page 77.

Chrysler talking deals in Europe and Japan

Joint marketing plan discussed with Fiat

By Richard Feast
European Editor

Fiat Auto S.p.A. confirmed last week it has entered discussions with Chrysler Corp. that could result in the firms marketing each other's cars.

Fiat said its executives met with Chrysler officials during the April auto show in Turin, Italy, to discuss a wide range of topics, including proposals to purchase components and distribute vehicles.

Chrysler declined to comment on the talks.

At the heart of negotiations is a plan whereby Chrysler would sell Fiats in the U.S. and Fiat would distribute Chrysler models in Europe. According to one report, they already have begun discussing marketing plans for specific models.

Chrysler is said to be impressed with the Fiat T4 (Lancia Thema and Fiat Croma), but that model is not designed to meet U.S. standards.

Fiat is in search of a passenger van to compete with the likes of the Renault Espace and Volkswagen Vanagon in Europe, according to a Fiat source.

Chrysler's U.S.-built T-115 front-drive passenger vans or even the smaller Colt Vista, made by Mitsubishi Motors Corp. in Japan and sold by Chrysler in the U.S., could prove attractive to the Italian firm.

Fiat bowed out of the U.S. market in 1983 in order to concentrate on strengthening its European operations.

Now, with its health restored, Fiat is once again eying the U.S. market. In Detroit last October, Fiat Chairman Giovanni Agnelli said the company was interested in selling one or more Lancia models in the U.S.

But even if a deal is struck between Fiat and Chrysler, it likely would be several years before Fiat would have products ready for the U.S. market. Like the T4, most Fiats are recent introductions—and none are engineered to meet U.S. requirements.

Fiat's next new model, the Type 2, will replace the Ritmo/Strada in the fall of 1987.

If nothing else, deliberations involving the two companies were significant in that they marked the first time executives of Chrysler and Fiat's car making division, Fiat Auto, have met.

Nissan 1,000-cc car for U.S. is reported

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO—Nissan Motor Co. and Chrysler Corp. are reportedly talking about Chrysler selling Nissan's one-liter March model in the U.S. Nissan has denied the reports, and Chrysler has no comment.

Nikkan Kogyo, a manufacturing publication here, reported that Nissan is considering manufacturing the car at its Taiwan affiliate, Yue Loong Motor Co., and that Chrysler is expected to sell it under its own brand name.

A Chrysler official in Japan declined to comment on the published report. A Chrysler spokesman in the U.S. also declined comment on "speculative reports or rumors."

The publication also quoted Chrysler as estimating the annual demand for 1,000-cc cars in the U.S. at about 300,000 units.

Chrysler has a 24 percent equity in Mitsubishi Motors Corp. and sells several Mitsubishi models in the U.S. However, Mitsubishi does not build a car with a 1,000-cc engine.

In its statement denying the Chrysler negotiations, Nissan said Yue Loong "is currently studying the possibility of producing Nissan's one-liter cars in view of the future trend of the Taiwanese car market, but has not reached a decision."

It added, "Nissan tends to nurture Yue Loong so that the Taiwanese firm will acquire the technology capability to produce high-quality cars for export in the future. No decision regarding exports has been made at the present time. Nissan's objective is to strengthen Yue Loong, but Nissan has no intentions of taking advantage of that relationship to circumvent the voluntary quota system."

Nissan said it currently exports the March, with a 1.2-liter engine, to Europe. It also exports the Micra, with a one-liter engine, to Canada.

The Taiwanese firm, which accounts for about 40 percent of the Taiwanese market, is currently building Nissan Sunny, Stanza, Bluebird and Cedric cars and the Sunny truck, Vanette, TeleVan, Atlas and Nissan pickup.

Liability coverage slashed by Ford

By Richard Johnson
Detroit Reporter

Ford Motor Co. is operating in 1986 with "little or no" product liability insurance to protect the company from large damage awards stemming from litigation.

According to Ford's annual Form 10-K filing with the Securities and Exchange Commission, the auto maker is proceeding with minimal protection because of rising premiums in the crisis-ridden commercial insurance industry.

The report said, "The company, like many other manufacturers, has little or no product liability insurance for incidents that might occur in 1986 because of the limited availability of such insurance at reasonable premiums in the insurance market generally."

A combination of self-funding and purchased insurance has become a more frequent option for major corporations in an era of dwindling insurance capacity among carriers and rising premiums.

"We really don't elaborate on our insurance strategy or the way we handle the business," said a Ford spokesman. "But we don't have as broad a coverage as we had before, so I guess someone could conclude that we're doing more of our own."

Many large companies have long used a combination of self-insurance and purchased coverage to underwrite risk exposure.

"The insurance industry is much worse from the standpoint of getting coverage at reasonable rates," said the spokesman. "That side of the business hasn't been one that we have talked about and we don't want to start now."

The 10K includes a review of several product cases pending against the manufacturer involving various car lines over several model years.

As of Jan. 21, 1986, the total actual and punitive damages sought in complaints alleging fuel system defects totaled approximately $1.5 billion.

In pending cases alleging faulty design of automatic transmissions and or shift/selector mechanisms damages sought amounted to about $1.2.

Damages totaling approximately $1.1 billion were specified in suits alleging failure to provide an air bag or other passive restraint, and $121 million in various actions for injuries allegedly resulting from contact with certain Ford products and parts con-

Please turn to Page 74, Col. 1

Goodyear relies on youth at Indy

By Arthur Flax
Automotive News Staff

INDIANAPOLIS—When Americans switch on their TV sets next Sunday (May 25) for the first live telecast of the Indy 500, the Goodyear name will appear on every car, every driver and every tire at the Indianapolis Motor Speedway.

The team entrusted with the lives of those drivers and their precision machinery are not veteran tire

Europeans deeply involved in Indy . . . Page 76

engineers, but five young mechanical and chemical engineers not long out of school. The senior member of the team is 28.

By race time, the Goodyear engineers will have spent a month at the Speedway, working 13-hour days. Since last fall, they have been hard at work designing and testing the tires that will carry 33 men, encased in projectiles of aerospace alloy and plastic, around the narrow 2.5-mile circuit at speeds nearing 220 MPH.

The five engineers provide technical support at

Please turn to Page 82, Col. 1

Arthur Flax

Al Unser Jr. looks at tire temps

AMC warns of a June 30 Toledo closing

By Mary Connelly
Detroit Reporter

American Motors has told the UAW it will begin phase-out of its Toledo Jeep plant June 30 unless the union agrees to a concessionary contract by that date.

UAW employes at the plant received a letter from AMC Thursday stating that the company wants a labor agreement competitive with those at the Big Three.

"We do not think our requests are unreasonable," AMC told employes. "We do not intend to operate any facility with an uncompetitive labor agreement. If we do not receive these commitments by June 30, we will notify the state and local governments and proceed with the phase-out process which will ultimately result in the

Please turn to Page 75, Col. 3

BETHESDA MD 20814
4520 EAST-WEST HWY STE8
CONGRESSIONAL INFO SERV
ACQ EDITOR SRI
03032296 0300 8620 COMP PR2
**********5-DIGIT 20814

Home loans from GMAC in Michigan

By Michelle Krebs
Financial Editor

General Motors will offer mortgages to its car-loan customers in Michigan on an experimental basis within the next few months.

GMAC Mortgage Corp., the mortgage subsidiary of General Motors Acceptance Corp. formed when GMAC purchased two mortgage businesses last year, has launched a three-pronged approach to expand its business by cross-selling to car-loan customers.

Within the next few months, GMAC Mortgage will begin a direct-mail campaign that will offer mortgages to GMAC customers in Michigan who are considered good credit risks.

Second, GMAC Mortgage will open additional offices in Michigan. The first will be at GM's Technical Center in Warren, where 20,000 GM employes work. The second location has not been selected yet.

Third, GMAC Mortgage has opened an office at GM corporate headquarters for GM employes. About 2,600 salaried GM employes work at corporate headquarters. It was first opened to serve GM employes who had been relocated. The office now originates new mortgages and offers refinancing.

The mortgage program is a pilot program in Michigan. It may eventually be expanded nationwide.

A GMAC spokesman said that if the program has even limited success—if only 5 percent of the 8 million GMAC customers take advantage of the mortgage service—GMAC Mortgage would double its portfolio of 375,000 customers.

GMAC has offered homeowners insurance to GM employes for the past two years. It is another financial service that probably will be expanded to other mortgage customers in the future.

GMAC also has said it may eventually offer health and life insurance on mortgages.

In a recent interview with Automotive News, GMAC Chairman Robert F. Murphy said that in the future, the mortgage business will become a more and more important part of GMAC.

Murphy estimated that the mortgage business eventually will account for 10 to 25 percent of GMAC's volume. GMAC reported a profit of $1 billion for 1985. Receivables reached $76 billion, making GMAC by far the world's largest finance company.

Last year, GM became the second largest mortgage provider, after Lomas & Nettleton of Texas, by acquiring two mortgage businesses. GM bought the Colonial Mortgage Group from CoreStates Financial Corp., Philadelphia, for $190 million. It also purchased the mortgage servicing portfolio and servicing facilities of Norwest Corp., Minneapolis, for an undisclosed price.

The operations were combined into GMAC Mortgage, with about 70 offices in the U.S. servicing 375,000 residential and commercial mortgages totaling about $22 billion.

Murphy said GMAC is likely to purchase another financial services company. However, it probably would not be a mortgage business since GMAC Mortgage already has excess capacity.

Dwight Cendrowski photos

CCS junior Julie Gendelman with wagon and sedan renderings

Students display projects in auto design

Warm May breezes drifting through the white canvas tent added to a sense of expectation during the final hours before the patron reception and opening of the annual student works exhibition. Center for Creative Studies students wandered the compact campus in suits and dresses, their more colorful, comfortable studio clothes abandoned for a few days.

CCS, at the edge of Detroit's Cultural Center, is a training ground for artists. Among them are students of automotive design, a select field that demands long hours and singular dedication.

This past weekend the annual display of student exhibition opened to the public following a gala reception-under-marquis for benefactors and guests. Upper-class automotive design students work on specific 15-week projects sponsored by the auto makers. There were sketches, renderings, clay models and even full-size interior sections for "new" AMC Jeeps and Ford Broncos.

Students attending their displays aggressively promoted themselves, especially those who still looking for summer positions or post-graduation jobs. Recruiters from auto companies were being squired through his students' accomplishments by Homer LaGassey, section chairman, transportation design.

This is no place for the faint-hearted, said one junior, who because he must also work for a living had fallen behind his graduating classmates. His class started with close to 40; seven have finished.

Scott Dolan with model, drawings

One-fifth scale model of touring car

Incentives work; sales rise

By Jenny L. King
Detroit Reporter

Incentives for new-car buyers had the intended effect on the market in early May as sales surpassed the comparable 1985 figure by some 10,000 units.

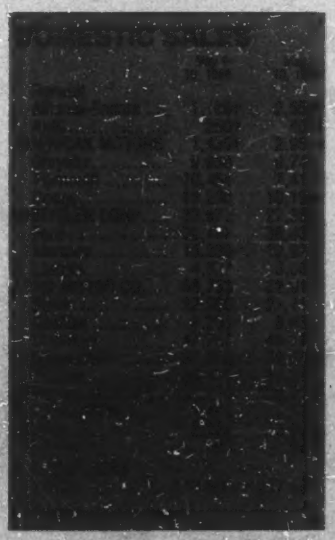
The largest domestic auto makers, all of which have low-interest-rate financing programs at the retail level, finished the May 1-10 period with healthy increases. The smaller companies didn't fare as well.

Domestic sales for the period totaled 237,809, up 9.13 percent from 217,895 in 1985. Two years ago, the total was 238,240.

With nine selling days in the period each year, the daily averages were 26,422 vs. 24,211.

Chrysler Motors had the strongest gain for the period, up 23.07 percent to 33,672 from 27,359. Ford Motor Co. was up 11.02 percent, to 58,753 from 52,919. General Motors reported sales of 138,870 domestic passenger cars, up 7.47 percent from 129,212 a year ago. Honda sales were up 1.00 percent, to 3,234 from 3,202.

American Motors plunged 51.36 percent, to 1,435 from 2,950. Volkswagen was off 14.56 percent, to 1,444 from 1,690, and Nissan dropped 30.50 percent to 392 from 564.



Chrysler and Ford were the only companies to increase their shares of the market. Chrysler was up to 14.16 percent from 12.57 percent last year, while Ford moved to 24.71 percent from 24.30 percent.

GM was down nearly one percentage point, to 58.40 percent from 59.34 percent. AMC had 0.60 percent, compared with 1.35 percent a year earlier. Honda had 1.36 percent, down from 1.47 percent; VW had 0.61 percent, compared with 0.78 percent in 1985, and Nissan slipped to 0.16 percent from 0.19 percent.

The 11 makes built by the Big Three all reported sales increases the first 10 days of the month. At Chrysler Corp., Plymouth sales were up 41.00 percent; Dodge, 30.22 percent, and Chrysler, 1.96 percent. Ford Motor Co.'s Mercury sales were up 17.45 percent; Ford, 7.55 percent, and Lincoln, 1.82 percent.

Oldsmobile was up 14.45 percent from year-earlier sales; Pontiac, 10.69 percent; Chevrolet, 5.87 percent; Cadillac, 4.73 percent, and Buick, 1.59 percent.

AMC was up an estimated 37.50 percent and Honda gained 1.00 percent. VW dropped 14.56 percent; Nissan, 30.50 percent, and Renault, an estimated 53.53 percent.

Calendar-year sales through May 10 were off 6.32 percent to 2,855,250 from 3,047,985.

Chevrolet Celebrity was the most popular nameplate in the first May period with sales of 12,605. Ford Escort/EXP was second at 11,690, followed by Chevrolet Cavalier, 10,739; Oldsmobile Cutlass Ciera, 10,363, and Oldsmobile 88, 8,907.

China brass tune in on AMC project

By Richard Johnson
Detroit Reporter

American Motors' problem-plagued venture in China is now getting special attention from Chinese leaders.

U.S. Treasury Secretary James Baker presented an update at a news conference following the sixth annual meeting of the U.S.-China Joint Economic Conference in Beijing.

Baker said the AMC issue was raised by the Chinese during official discussions and also in his meeting with Premier Zhao Ziyang.

AMC, in partnership with the People's Republic of China, builds a CJ-style Jeep in Beijing. Last fall, it began assembling Cherokee kits. But a shortage of foreign exchange with which to import components will cause production to cease in mid-June for at least two months and may delay plans to expand the product line.

The historic Beijing Jeep agreement, signed in 1983, is a showpiece for the Chinese Government. Failure of the high-profile project would be a severe blow to the country's ambitious industrialization plans.

At a press conference in Beijing, Baker said the AMC issue appeared to be of pressing importance to Zhao.

"That matter surfaced in my bilateral meeting with Premier Zhao and it was brought up by the premier himself," said Baker. "He said that they understood there were problems . . . and they wanted to work toward a resolution of those problems."

AMC has a $16-million investment in the company, including $8 million in cash and $8 million in equity for technology and expertise. The company's current stake in the $51-million venture is 31.3 percent. By reinvesting profits, AMC plans eventually to assume 49-percent ownership of the project.

Beijing Jeep has produced about 300 Cherokees since production began early last fall. That is well below the original volume target.

The company has obtained a license to import 1,000 Cherokee kits for Chinese assembly. But depleted reserves have caused the government to restrict use of convertible currency. Furthermore, the Chinese have refused to allow payment of a portion of the Cherokee purchase price in foreign exchange, as had been agreed upon.

AMC is seeking to develop a low-cost source of components and eventually built-up vehicles for export from China. But AMC has to develop a healthy supply source in the country to make exports profitable.

Several AMC executives, led by Tod O. Clare, vice president—International Operations, were in Beijing last week to discuss the faltering venture with Chinese officials. However, an AMC spokesman had no immediate word on the outcome of talks.

But Baker expressed optimism for the future of the AMC venture.

"This was a matter that was brought up, interestingly, by the Chinese side," he said. "Therefore, I feel confident that there will be ultimately a resolution of the problem."

Auto accounts galore in Saatchi-Bates merger

By Jenny L. King
Detroit Reporter

For the second time in three weeks, there is a new "world's largest" international advertising agency.

The new leader faces the same problems confronting other merging agencies: Competing clients within the family, including prominent automotive accounts.

Last week, Saatchi & Saatchi Co. plc, London, agreed to buy Ted Bates Worldwide, upstaging the BBDO/Doyle Dane Bernbach/Needham-Harper megamerger announced late last month.

The resulting advertising giant, largest of its kind in the world, will have more than $7.6 billion in international billings, with $4.7 billion in the U.S. alone.

Saatchi reportedly is paying $450 million for its newest acquisition. The relatively young Saatchi operation, which has been in a buying mood for most of its 16 years, now will have 12,000 employes in 50 countries.

It also will have several automotive accounts, in the U.S. and abroad. Saatchi & Saatchi Compton handles American Motors advertising for AMC, Renault and Jeep vehicles.

Saatchi & Saatchi Compton includes a number of formerly independent agencies, some with automotive accounts. McCaffrey & McCall handles Mercedes-Benz of North America. Dancer Fitzgerald Sample represents Toyota. Backer & Spielvogel is the agency of record for Hyundai Motor America.

Ted Bates Worldwide has Honda in Germany and owns just over half of Scholz & Friends, which represents BMW in Germany. Saatchi & Saatchi has Jaguar at home in Great Britain.

In the U.S., Bates' William Esty Co. has the Nissan Motor Corp. business.

Automotive accounts aren't the only potential conflicts. Others are tobacco, financial services, beer, consumer electronics, candy, insurance, fast-food and computer retailing, according to Advertising Age.

The questions of confidentiality and effectiveness of service on behalf of all clients affected by these megamergers are yet to be answered.

Those who defend the bigger-than-life worldwide agencies say they can better attend to the needs of customers when they have such networks of resources. Critics say advertising efforts in recent years have been nothing to brag about and that increasing the size and complexity of agencies will not enhance creativity.

Chapin quits AMC to join ad agency

By Richard Johnson
Detroit Reporter

William Chapin, the scion of one of Detroit's most prominent automotive families, is leaving American Motors, the company his father once ran and his grandfather indirectly helped to found.

Chapin, 37, AMC's director of international marketing, will join A.R. Brasch Advertising, Southfield, Mich., this Tuesday (May 20) after 14 years in executive positions at AMC. He will serve as a senior account executive and director of marketing.

Chapin's father, Roy Chapin Jr., now 70, was AMC's chairman from 1967 until 1978. He is still a director. Roy Chapin Sr. was a founder of Hudson Motor Co. in 1909. Hudson merged with Nash-Kelvinator in 1954 to form American Motors.

"It got to a point where I wanted to get into more of an entrepreneurial environment," William Chapin explained. "I wanted a little more control over the bottom line and my own bottom line."

Chapin is not deserting Detroit or the auto business. Brasch is an automotive marketing services company, with Volkswagen, Volvo, Ford Division and Rolls-Royce among its clients. It has worked with AMC, especially on the Alliance launch.

Chapin joined AMC in its Boston zone office. He served as a strategic planner at Renault in Paris and top marketing planning executive for Jeep and Renault in the U.S. He was instrumental in the Jeep Comanche and Wrangler launches.

Kline Chevrolet participated in a sale at a baseball stadium over Chevy's reported protest

Off-site sale stirs Chevy flap

NORFOLK—A Chevrolet dealership here reaped the benefits from a sale at a baseball stadium although the manufacturer reportedly refused to permit the dealership to participate.

Kline Chevrolet, located in neighboring Chesapeake, Va., won the bidding contest to take part in an off-site sale sponsored by a Norfolk credit union and held in the parking lot of Metropolitan Stadium.

Kline Chevrolet reportedly was denied permission to participate in the sale by Chevrolet Motor Division.

According to the Chevrolet dealer franchise agreement, any undertaking directly or indirectly held away from a dealership's premises must be approved by the manufacturer. If such approval is not obtained, Chevrolet has grounds for termination of the franchise agreement.

Despite the lack of approval from Chevrolet, Kline Chevrolet set up a sales booth, complete with a band and clowns, on the first day of the four-day sale.

By late afternoon, Chevrolet zone representatives showed up and negotiated a compromise with Kline Chevrolet.

Chevrolet apparently agreed to let the dealership have a sign and booth on the sales site, but no cars. Instead, Kline Chevrolet salesmen were allowed to chauffeur people from just outside the sales site to their showroom five miles away.

An alternate Chevrolet dealership was not allowed by the sale managers, so there were no Chevrolet models on the sales site.

Chevrolet refused to comment on the situation, saying any business discussions with a dealer are treated as confidential. James Kline, Kline Chevrolet, also refused to comment.

Mercedes and Honda hike prices

By Matt DeLorenzo and John K. Teahen Jr.
Automotive News Staff

Honda today (May 19) will announce a price increase of 2.3 percent on the cars it sells in the U.S. The boost averages $238 on Honda cars and $344 on the new Acura Integra and Legend.

Honda's action is the first salvo in a new round of Japanese boosts. Toyota is expected to follow suit soon. These will be the fourth increases of the 1986 model year for most Japanese makes.

The Japanese attribute the hikes to the strengthening of the yen against the dollar.

Also last week, Mercedes-Benz hiked its prices, and Nissan priced its 1987 Stanza models. Automotive News estimates that the Mercedes boost averages $1,557 on a sales-weighted basis.

The Mercedes-Benz increase took effect May 15, but cars ordered by customers by May 14 and delivered by July 15 will carry the old prices. For that reason, Mercedes-Benz said it was unable to give an average dollar figure for the increase.

Mercedes-Benz said the increases "were made necessary by higher costs.

The hikes range from $380 on the 190-D (gasoline) and 190-D (diesel) four-door sedans with manual transmission to $2,790 on the 560-SEC coupe. The 190 sedans are $25,480 and the 560-SEC is $54,900.

The range was $2,180 to $2,790 on the top-line 420 and 560 models.

Automotive News estimates that Mercedes-Benz prices have climbed an average of $6,265, or 15.6 percent, on comparable models since the 1986 cars were introduced.

Nissan said last week that its 1987 Stanza models will be priced 7.2 percent higher than the 1986 versions. Model-to-model price hikes are difficult to figure because of equipment revisions and changes in model designations.

Prices start at $9,999 for the Stanza E four-door sedan.

Service Index moves up again

By Arthur Flax
Service Editor

Service and parts business at new-car dealerships increased in March and the first quarter of 1986.

According to the Automotive News Service Index, shop business at dealerships in March amounted to 102.8 percent of the volume recorded in March, 1985.

In February, service volume dipped to 99.6 percent of business in February, 1985.

In the first quarter of 1986, service and parts volume showed a gain of 3.3 percent over the like period a year ago.

Indicators for March and for the quarter showed mixed results.

In March, total labor sales (customer-paid and warranty) showed the biggest gain, up 8.3 percent over the year-earlier month.

Gross profit on all labor, parts and accessories sales was up 6.8 percent and shop parts sales (customer-paid and warranty) gained 2.6 percent.

Indicators which showed declines in March as compared with the year-earlier month were sales of all parts and accessories, down 2.8 percent, and repair orders written, down 0.9 percent.

In addition, parts and accessories sales to off-premises customers were down 7.1 percent in March.

Gross profit on all labor, parts and accessories sales registered the biggest gain in the first three months of 1986, climbing 9.2 percent over the period in the previous year. Other indicators showing gains for the first quarter were total labor sales, up 9.0 percent, and shop parts sales, up 2.5 percent.

Registering declines for the three-month period were repair orders written, down 2.6 percent, and sales of all parts and accessories, down 1.4 percent.

Parts and accessories sales to off-premises customers were down 4.5 percent in the first quarter of this year.

Figures used in the Service Index are averages compiled from reports on shop business from a cross-section of the nation's new-car dealerships.

Hammes elected a VP of Chrysler Motors

NEW YORK—Michael N. Hammes has been elected Chrysler Motors vice president of international operations by the Chrysler Corp. board of directors.

Hammes joined Chrysler Motors earlier this month as general manager of the company's new international operations organization. He formerly was vice president—truck operations at Ford of Europe.

index

Auction reports	62, 63
Automotive World News	41
Classified advertising	64-70
Dealing with dealers	28
Editorial page	10
Engineering	16
Inventories	6
Obituaries	73
Personnel	56
Production by makes	78
Sales, car	2
Sales, truck	12, 20
Truck highlights	12

60th year—No. 5128

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Senate approves wide-ranging safety measure

By Helen Kahn
Washington Bureau Chief

WASHINGTON—A catch-all safety bill passed by the Senate late last week affects gray-market cars, crashworthiness ratings, side-impact protection and air-bag information.

The bill, which has been shelved for more than a year, authorizes funds but does not actually appropriate them for NHTSA for fiscal 1987. At the last minute, all references to fiscal 1986 were replaced by fiscal 1987.

The House NHTSA authorization bill, a companion but dissimilar measure, is not on a fast track, either. It also has a number of safety provisions (defect treatment by dealers and lessors, tire registration, periodic vehicle inspection and gray market), as well as one requiring labeling of vehicles for bumper effectiveness.

It has not even been reported by the full Energy and Commerce Committee, chaired by Rep. John Dingell, Michigan Democrat. Dingell further muddied the water by adding his own amendment to require Japan to accord imported American vehicles the same safety self-certification the U.S. offers importers here.

The gray-market provision of the Senate bill is a compromise worked out by Senator Warren Rudman, New Hampshire Republican, and Senator Daniel Inouye, Hawaii Democrat. Eventually, it even won the essential support of Senator John Danforth, Missouri Republican and chairman of the Senate Commerce Committee.

It is perfectly legal for independent distributors to import cars not made for the American market so long as the cars are brought into compliance with safety and environmental regulations. As Rudman explained, a gray market for many products usually exists when "foreign manufacturers implement discriminatory pricing strategies whereby American consumers are charged a higher price for a product than is charged for the same or comparable item sold overseas."

The example he used is a Mercedes-Benz that costs $20,000 more here than in West Germany. In that instance, the direct importer can offer consumers better prices and greater choice.

The gray market amendment sets up various procedures—bonding and certification—to be sure gray-market cars meet standards and the cost is borne by the direct imports and/or individuals ordering such cars.

The Transportation Department would determine whether a model can be modified to meet standards; if so, the importers can bring in more and follow approved procedures to modify them. The importer has to post bond and provide certification after modifications. Release from bond and approval or rejection of certification has to come from the government within 30 days. The government can inspect and test gray-market vehicles and the facilities used to make changes to the imports.

Direct importers have to keep records, pay gas-guzzler taxes and comply with CAFE requirements. The direct importers are treated like manufacturers for CAFE and for gas-guzzler taxes, and they are not allowed the small-volume-manufacturer exemption.

Benjamin R. Jackson, executive director of the Automobile Importers Compliance Assn. and former head of enforcement for EPA, has no objection to most of the gray-market provisions since they merely put into law what direct importers would have to do anyway in accordance with regulations already proposed.

But Jackson feels that making direct importers subject to CAFE standards and penalties is unfair since the law was intended for producers and could put gray marketers out of business.

Direct importers are subject to gas-guzzler taxes and they fear that making their taxes retroactive may put some marginal importers out of business.

The Senate bill also authorizes NHTSA to reprogram $20 million of existing funds and to use the money for an education program on seat-belt use and for passive-restraint data. But the Senate intends that half of that money be spent to educate the public about air bags and at least half of that be used to show the effectiveness of air-bag technology, especially low-cost air bags as evidenced in Romeo Kojyo's retrofit program and Breed's mechanical sensor.

The bill also requires NHTSA to start the process toward a side-impact-protection standard within 60 days of enactment. Within one year of enactment, NHTSA would have to set performance standards and to issue an advanced notice to extend applicability to light trucks, vans, and multipurpose vehicles.

The bill also requires NHTSA to arrange for the National Academy of Sciences to make a study to find out how to calculate a uniform numerical rating to enable consumers to compare the crashworthiness of different car models.

Within 18 months of enactment, NAS is to report to Congress and to NHTSA, which is then to decide whether such a system can be established. If the answer is yes, NHTSA is to promulgate such a rule within three years requiring auto dealers to make crashworthiness data available to prospective buyers.

DDA disassembles diesel engine Jim Wilsmore

Detroit Diesel Allison set out to prove the reliability of its 6.2-liter diesel engine by disassembling an engine that had worked for 300,000 miles in a three-year-old airport limousine and comparing its parts with specifications for those of a new engine. The engine showed little wear. Here, a worker peers through a piston cylinder.

Inventory of imports highest in 39 months

By Kathy Boyer
Detroit Reporter

The stockpile of unsold imported cars in the U.S. on May 1 stood at the highest point in 39 months.

The inventory count was 346,487 cars, according to Automotive News estimates. Not since the 355,603 in stock on Feb. 1, 1983, had the total been so high.

The figure was 338,084 on April 1 and 262,444 on May 1, 1985.

The May 1 supply was calculated to be good for 38 days of selling, highest since the 40-day stock recorded for May 1, 1983. Days' supply had been 37 a month earlier and 34 on May 1, 1985.

The inventory of new imported trucks hit a 45-month high on May 1. The total of 156,930 was the highest recorded since the 170,969 reported on Aug. 1, 1982.

The truck stockpile had been 137,012 a month earlier and 90,286 a year earlier.

Truck inventories represented a 48-day supply on May 1, compared with 40 a month earlier and 32 a year earlier.

Combining car and truck stockpiles brings the total May 1 import total to 503,417, the highest count since the 540,812 units reported on Sept. 1, 1982.

The car-truck inventory compares with a month-earlier total of 475,096 and 362,730 on May 1, 1985.

Days' supply of the combined car-truck total stood at 40 on May 1, compared with a days-supply level of 38 a month earlier and 34 a year earlier.

On May 1, import-car inventories were divided this way: Japan, 63.20 percent; West Germany, 24.41 percent, and other countries, 12.39 percent.

A month ago, the shares were: Japan, 58.90 percent; West Germany, 29.59 percent, and other countries, 12.41 percent.

All inventory figures in this article include dealer and port inventories and vehicles in transit.

These are the May 1 days-supply figures for imported cars by country of origin: Japan—Honda, 8; Toyota, 13; Acura, 15; Subaru, 28; Mazda, 28; Mitsubishi, 27; Nissan, 44; Chrysler Corp., 66; Isuzu, 84; Chevrolet, 93 (including 65 for the Suzuki-built Sprint and 114 for the Isuzu built-built Spectrum).

West Germany—Mercedes-Benz, 18; BMW, 34; Porsche, 50; Volkswagen, 70; Audi, 92, and Merkur, 105.

Other countries—Jaguar, 26; Alfa Romeo, 37; Yugo, 45; Saab, 48; Volvo, 62; Peugeot, 69, and Renault, 112.

Light trucks and their days' supplies were: Suzuki, 20; Mitsubishi, 23; Mazda, 32; Toyota, 39; Nissan 64; Isuzu, 66, and Chrysler, 80.

All import-truck figures include Nissan's U.S. built models.

Jeep targets Europe for Wrangler

By Richard Johnson
Detroit Reporter

American Motors is making long-range plans to sell its just-introduced small utility vehicle, the Jeep Wrangler, through Renault dealerships in Europe.

The new Jeep model, built in Brampton, Ont., is a replacement for the venerable Jeep CJ, the World War II-vintage model which has long had an international presence.

With AMC expanding its Jeep marketing effort in Europe, the Wrangler is shaping up as a natural for the Continent.

"We're working on that right now," said Jim Murphy, director of product planning at AMC. "The dollar-to-franc, dollar-to-deutschemark and dollar-to-pound relationships are such that it is very attractive for us to look at. So we're strongly considering that."

In recent years, AMC has become a more aggressive retailer of Jeeps in the European market, selling its Cherokee and CJ models through a combination of Renault dealers and independent distributors. Sales on the Continent totaled 2,024 last year, and AMC officials expect that number to increase substantially in 1986. Jeep sales in Europe for the first quarter of 1986 totaled 693, well above the 1985 figure.

Since the latest versions of Cherokee and Wagoneer were introduced in 1983, AMC has sought to centralize its European distribution through the Renault dealer network. AMC still uses independent distributors for Jeep products in some European countries.

"We're looking at ways to expand Jeep exports in Europe," said former AMC President Jose Dedeurwaerder at the recent AMC shareholders meeting.

Dedeurwaerder now is an executive vice president of Renault in charge of the French company's worldwide sales and marketing effort and its manufacturing operations outside of France and Belgium. In his new position, he is expected to help boost AMC's stature as an exporter of its four-wheel-drive products.

1987 Jeep Wrangler Jim Wilsmore

Dedeurwaerder told company stockholders that the falling dollar "promises to make Jeep much more attractive to buyers" in Europe.

Generally, AMC executives in Detroit are hoping that Dedeurwaerder's worldwide marketing responsibilities for Renault will enable AMC to make inroads in other new markets.

Last year, AMC sold 40,000 vehicles overseas and is the leading U.S. exporter of four-wheel-drive vehicles.

At a news conference introducing Wrangler to the Detroit automotive press last week, Murphy also discussed a new AMC-designed 4.0-liter in-line 6-cylinder engine that will be available this fall on Cherokee, Wagoneer, Comanche and Grand Wagoneer.

Official horsepower and torque ratings have not been announced, but Murphy said the new fuel-injected power plant registers horsepower in the 170 range.

Mack plant to be state-of-the-art

Mack Trucks, Inc., has broken ground for its new Winnsboro (S.C.) assembly plant on which a great deal of the company's future rides.

The $80-million plant, shown in the accompanying artist's rendering, is due to be completed in mid-1987. It will be a 70-truck-a-day facility and will produce Mack's new conventional CH model.

In the 539,000-square-foot facility, major vehicle-producing operations will occur simultaneously rather than in one continuous line sequence.

The plant will also use a "modular" concept in which teams of trained technicians complete major sections of the truck.

The plant can be expanded if necessary, and it is designed to accommodate new technologies as they become available.

Statistical process control and computer integration will be used in production and will drive all operations, as well as examine everything from incoming parts and materials to operations in the module and main assembly areas.

Such increased capabilities will facilitate quality monitoring and adjustments before and during production.

Material handling and distribution will be extensively automated. Just-in-time inventory will be used for incoming parts and the subassemblies produced in-house.

Considerable emphasis will be placed on the quality of paint and finish coatings, with more than 20 percent of the floor area and nearly 30 percent of the total investment devoted to those functions.

Ford hammers heavy truck sales

By Joseph Bohn
Truck Editor

SAN FRANCISCO—Ford Truck Operations' heavy-truck orders are up, and it is continuing to hammer the market with special incentives and marketing programs like its Work-Ready truck concept.

Officials at the International Truck Show here also previewed some of the cab and powertrain improvements due on 1987 models.

John Merrifield, heavy-truck sales manager, said first-quarter orders were up 30 units a day over those in the first quarter of 1985.

"We build 236 trucks a day. So, anytime you get more than a 10 percent shift in the market, it's pretty significant," Merrifield said.

Ford officials are fairly happy with the way their Class 8 business is going, but they continue to push it with incentives.

Ford currently has several such incentives on heavy trucks.

An April 1-June 30 program covers all new and unused 1985-86 9000 series heavy trucks in company or dealer inventory or ordered from the Kentucky truck plant by July 7 or ordered by then and financed by Dec. 31, 1986 (in case of late delivery). It provides 12.5-percent annual-percentage-rate APR financing through Ford Credit up to 60 months.

A special "Work-Ready" blitz program covers CL, CLT, LL and LTL models in the 9000 series only.

It runs from April 16 to June 30.

The program covers Work-Ready models for fleet or retail orders.

In addition to 12.5-percent financing, it offers Work-Ready specs, 45-day delivery (except for models with sleeper cabs) and a free three-year/300,000-mile extended service contract with retail value of $7,150.

Ford sent letters to 170,000 small fleets and independent operators highlighting the savings and enclosing a directory of its dealer locations.

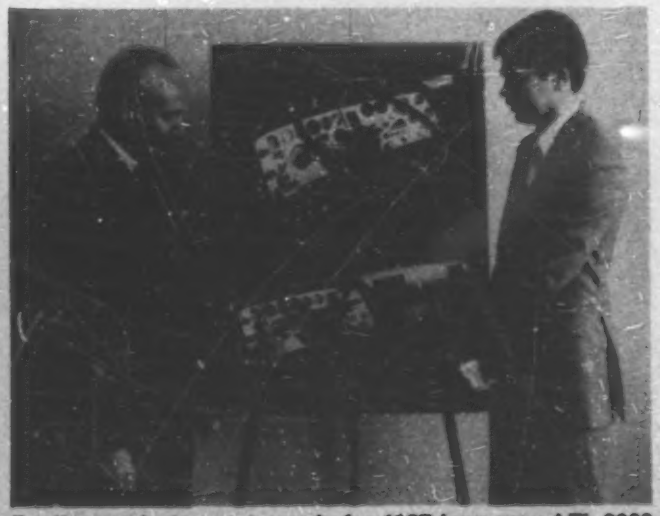
Eligible fleet buyers can get 10.5-percent APR financing for 48 months and 11-percent financing for 60 months, with 45-day delivery and easy ordering process, with specially provided phone number.

Ford's Work-Ready program is becoming increasingly popular, according to Kenneth F. Smith, heavy-truck general operations manager.

It covers a wide selection of medium and heavy-duty trucks with specifically designed packages and specs for specific work situations.

In the 1985 model year, 150 truck selections were offered

Please turn to Page 20, Col. 3



Ford's new instrument panels for 1987 long-nose LTL-9000 and LL-9000 conventionals are reviewed by John Merrifield, left, heavy-truck general sales manager, and Paul Shields, chief program evaluation analyst for heavy-truck product planning.

truck industry news

Truck sales rise, set April record

By Joseph Bohn
Truck Editor

After softening for a few months, truck sales roared back in April to set a record for the month.

The upsurge is largely attributable to low-interest financing and other kinds of special merchandising and incentive programs.

Sales increases for light and medium-duty trucks offset a decline in Class 8 heavy-truck deliveries, propelling the industry to an April total of 418,066. Sales were up 6.5 percent from 392,618 in 1985, the previous April record.

Tables on Page 20

Light-duty sales of 393,333 were up 7.3 percent from last year's 366,409.

Within the light segment, all manufacturers, except Chrysler, had sales increases.

Chrysler's sales of 52,066 were off 5.7 percent for the month.

American Motors and the imports, as has been their fashion the past several months, led the light-duty uptick.

Import sales of 79,041 were up 18.4 percent from last year.

Jeep sales of 14,744 also showed an 18.4 percent increase over April, 1985.

Ford's light-duty sales of 111,312 were up 9.1 percent from last year.

In total, Ford retailed 116,448 light, medium and heavy trucks, up from 108,606 a year ago.

Chevrolet's 110,019 light-duty sales were up 5.2 percent from 104,637 a year earlier.

In total, Chevrolet retailed 111,687 medium and light trucks, up from 105,745 in 1985.

GMC managed a modest increase in light-duty sales: 26,151 vs. 25,531 last year.

GMC's total light, medium and heavy sales of 30,263 were up 4.6 percent from a year earlier.

Medium-duty retail deliveries of 4,051 were up substantially from 3,460 in like 1985, according to preliminary MVMA reports.

Within the medium segment, Class 5 sales of 255 were up from 146 last year, while Class 6 sales of 3,796 were up from 3,314 a year earlier. No Class 4 sales were reported.

The heavy segment's sales of 20,682 were off from 22,749 a year ago.

Within the heavy segment, Class 7 sales of 10,193 were up from 9,664, while Class 8 sales of 10,489 were off from 13,085, according to MVMA.

During the first four months, the industry retailed 1,512,611 trucks, down from 1,543,815 in like 1985.

Light duty sales of 1,427,811 were off from 1,450,604 a year earlier.

Medium-duty sales of 14,960 were off from 17,737 last year.

Within the medium segment, Class 5 sales of 1,366 were up from 919, while Class 6 sales of 13,594 were down from 16,818. No Class 4 were reported.

Heavy-duty sales of 69,840 were off from 75,474 last year.

Within the heavy segment, Class 7 sales of 33,522 were up from 29,430; while Class 8 sales of 36,318 were off from 46,044.

Cummins shows high-output engine

SAN FRANCISCO—Cummins Engine Co., Inc., introduced a new high-performance 444-HP diesel engine here, aimed at owner operators and small fleets.

Some 21.9 percent of the company's 1985 engine shipments were 400-HP engines, up from 20.7 percent the previous year, according to George Fauerbach, vice president—North American marketing.

Also, Cummins' records show that 1985 registrations by customers who bought fewer than than five trucks were 38 percent of total truck registrations, up from 33.5 percent the previous year.

Thus, the trends indicate continuing strong demand for high-horsepower engines. And owner-operators and small fleets continue to make up a large portion of Cummins' business.

Cummins now offers operators three high-horsepower options—the Cummins 444, the NTC-400 and the Formula 400—to help them maintain flexibility in responding to customers' changing needs.

The Cummins 444 combines various innovations with proven NT engine technology in becoming the new performance leader in its 855-cubic-inch engine line.

It is rated at 444 HP at 2,100 RPM and produces 1400 pounds-feet of peak torque at 1,500 RPM.

Fauerbach stressed that the 444 is not a tuned version of a current engine, but features various new-to-Cummins technological changes.

It has a new advanced HT Series turbo with a new compressor, turbine wheel and dual entry design to maximize fuel economy and throttle response.

It also has a new hydraulically actuated step-timing system which improves cold starting and provides strong white smoke control.

The step-timing control enabled Cummins to to design its high-performance engine while still meeting stringent durability standards, Fauerbach added.

The engine also has high-strength pistons. A new wear insert is cast into the high-strength, aluminum alloy piston around the top two rings to extend piston and ring life. It includes a raised piston to improve economy.

Additionally, it features an advanced camshaft with redesigned injector lobes to accommodate the new Step-Timing Control system.

A streamlined water manifold design provides easier access to the mounting cap screws for serviceability.

The 444 also includes earlier advancements in Cummins' Big Cam IV products, including a simplified one-piece unitized aftercooler, a new head gasket and crowned rollers.

The rollers lengthen camshaft life three to four times by providing better load distribution on the camshaft lobe surface.

The Cummins 444 also has a matched Optimized Aftercooling system to handle increased heat loads from running the engine at high horsepower levels.

And it has a special black paint job, custom-polished aluminum valve covers, a chrome intake crossover and a special 444 logo.

Other standards of the engine include the new compression brake introduced by Cummins earlier this year and factory-installed Compuchek fittings to permit the engine to be tested using the advanced Compuchek diagnostics service tool, exclusive from Cummins.

Cummins' Compuchek system and the Compuchek extended warranty have grown in popularity during the past several years.

More than 20,000 Cummins engines have been covered by the four-year, 400,000-mile plan, and more than 250 Compuchek units have been installed in Cummins distributor and dealer locations and truck fleet service shops.

The Compuchek warranty is available for $550 on all Cummins LT and L10 series engines. Coverage can be purchased at any time up to 80,000 miles.

The plan protects truck owners from repair costs resulting from possible defects in workmanship and materials on all engine components through 200,000 miles. Many components are covered through 400,000 miles.

Please turn to Page 20, Col. 3

THE CARVE-OUT TRUST*

- You can now establish a new Carve-Out Retirement Trust limited to only a small group of employees (e.g., salary and clerical)!
- You can shelter an annual amount up to your salary and bonus — tax free!
- You can enjoy over 85% to 90% of the annual tax-free contribution.
- We can convert your present plan(s) to a Carve-Out. *A tax-exempt trust

Jerry Orefice has addressed national conventions, associations, "Twenty Groups," published articles in national magazines and also appeared on T.V. as a commentator on dealer tax planning and the Carve-Out Trust. Our firm has its own in-house legal counsel and a reputation for working with the top dealers in the country.

J.A. OREFICE & COMPANY
3713 Thousand Oaks Boulevard · Suite D
Westlake Village, California 91362
(818) 707-0917

Our classic lines are great for your bottom line.

When you can give your customers the kind of classic features they demand you have the "Dealer's Advantage." Giving customers what they want is what keeps them coming back—again and again. That's profitable for you.

We're E & G Classics Inc., home of the "Dealer's Advantage." For 13 years, our simulated convertible tops, classic grilles, high profit classic continental kits, restyled vinyl roof designs and stylish deck straps have added to dealer profits. Your customers will keep coming back for classic quality and styling—the kinds of classic lines that are great for your bottom line.

So call E & G today for profit's sake and the distributor nearest you. We'll give you the "Dealer's Advantage."

E&G CLASSICS, INC.
8909 McGaw Court,
Columbia,
Maryland 21045
Telephone
(301) 992-4900.
Wash., D.C. 596-3852
To Place Orders Only:
1-800-638-7815

Ford hammers heavy truck sales

Continued from Page 12

under the Work-Ready program, which doubled to 300 in the 1986 model year.

Ford's Louisville truck plant produced about 3,400 Work-Ready trucks, equal to 5 percent of its total output, in the 1985 model year. With sales of nearly 10,000 of those trucks expected in the 1986 model year, they could account for 20 percent of Ford's total this year, Smith said.

The Work-Ready truck concept simplifies the traditionally complex ordering process, giving dealers and customers the benefit of expert advice in equipping their vehicles for specific job requirements. It also helps speed delivery of customer orders.

Work-Ready trucks also offer, at no extra cost, extended service coverage for up to three years or 300,000 miles, depending on the model.

Ford offers Work-Ready trucks with specific designs in five basic categories—van platforms, construction, tractors, refuse hauling and just-introduced beverage delivery.

Each selection has a catalog number, designed to make it easier for dealers to complete an order, Smith said.

Merrifield said that Ford's Class 8 long-nose conventional trucks—the LTL-9000 and LL-9000—will have major improvements in the 1987 model year, including a new ergonomic instrument panel and a new line of premium diesel engines.

Ford will offer its Brazilian-built diesel engines in F, B and L series medium and heavy trucks in 1987.

The Ford-designed-and-built turbocharged 6-cylinder diesel line, developed by Ford Tractor, includes six versions with horsepower ratings ranging from 160 to 240.

The first of those diesels were introduced on the Cargo which entered the North American Class 7 market in late 1985.

Like other engines in the series, that 165-HP power plant features a direct-injection combustion engine, a Garrett turbocharger and a Bosch direct high-pressure injection fuel system. It is also rebuildable.

In 1987, Ford diesel engines will be available in F and B-600/700 and the F-800, the FT-900 and the entire L-8000 series, including tandem and set-back front axle models.

Six horsepower ratings will be offered—160, 170, 185, 210, 225 (California) and 240. Governed engine speed is 2,600 RPM (2,400 RPM for the 225-HP California engine).

The 170-HP Ford diesel will be standard in the 1987 Cargo CF-6000 and CF-7000 series, upgrading this year's standard horsepower rating.

The 185-HP engine will be standard in all L, LS and LN-8000 models. The 210-HP turbocharged aftercooled Ford diesel will be standard in the FT-900 and all LT, LTS and LNT-8000 series trucks.

The 160-HP engine will be available only in F and B-600 models and will be priced to compete effectively against medium trucks with lighter-duty diesel engines. Only the 170-HP and 225-HP engines will be offered in California.

Merrifield scotched the rumor that Ford might abandon gasoline engines for its medium/heavy models, pointing out they still account for 25-30 percent of its Class 4-8 business.

MAJOR MANUFACTURERS BY SEGMENT

	April		Year-to-Date	
	1986	1985	1986	1985
Light-Duty	111,312	102,051	404,609	414,164
Medium-Duty	3,956	4,841	13,267	15,416
Heavy-Duty	1,180	1,714	4,353	5,191
Ford Total	**116,448**	**108,606**	**422,229**	**434,771**
Light-Duty	110,019	104,637	393,206	412,049
Medium-Duty	1,668	1,108	6,425	5,656
Chevrolet Total	**111,687**	**105,745**	**399,631**	**417,705**
Light-Duty	26,151	25,531	97,709	99,376
Medium-Duty	3,496	2,333	12,002	8,487
Heavy-Duty	616	1,073	2,476	3,923
GMC Total	**30,263**	**28,937**	**112,187**	**111,786**

LIGHT-DUTY APRIL, YEAR-TO-DATE SALES

	April		Year-to-Date	
	1986	1985	1986	1985
Vans	16,185	17,866	56,559	65,884
Aerostar	12,693	0	41,047	0
Club Wagon	3,080	3,408	8,847	11,781
Ranger	23,700	16,817	90,794	102,241
Bronco	4,301	4,572	15,485	16,409
Bronco II	7,763	8,669	27,748	32,168
Pickups	43,590	50,719	164,129	185,681
Ford	**111,312**	**102,051**	**404,609**	**414,164**
Vans	11,952	13,545	40,736	52,790
Sportsvan	1,672	1,924	5,698	7,769
Astro	13,934	7,799	46,075	19,517
S-10	19,404	19,859	69,610	88,124
S-10 Blazer	14,173	12,963	49,580	52,511
El Camino	1,895	1,736	7,860	6,688
Blazer	3,643	3,485	13,240	14,606
Suburban	5,131	5,131	17,194	19,063
Pickups	38,215	38,195	143,215	150,961
Chevrolet	**110,019**	**104,637**	**393,206**	**412,049**
Vans	7,814	5,425	21,847	21,924
Ram Wagon	4,935	3,389	13,351	13,537
Voyager	10,773	9,467	38,441	35,198
Caravan	10,764	10,072	39,762	36,922
Mini Ram Van	1,317	2,090	5,258	8,737
Ram 50	6,263	6,512	24,714	26,280
Ramcharger	2,251	3,472	6,408	13,822
Pickups	7,949	14,812	31,400	59,733
Chrysler	**52,066**	**55,239**	**181,161**	**216,153**
Vans	3,192	3,635	11,642	13,552
Safari	2,856	1,492	10,170	3,812
S-15	4,465	5,000	16,459	20,027
S-15 Jimmy	3,394	3,090	12,193	11,918
Jimmy	684	736	2,762	2,845
Caballero	205	231	965	810
Suburban	1,490	1,503	5,616	5,872
Pickups	9,272	9,192	38,225	37,421
P Model	446	652	1,391	3,129
W-4	127	0	376	0
GMC	**26,161**	**25,531**	**97,709**	**99,376**
Wrangler/CJ	1,975	3,559	11,455	13,175
Wagoneer	845	1,717	3,408	6,923
Cherokee	8,408	5,395	31,103	19,456
Grand Wagoneer	1,249	1,441	5,068	6,047
Comanche	2,132	0	10,383	0
J-10/J-20	135	345	513	1,404
Jeep	**14,744**	**12,457**	**61,910**	**47,995**
Toyota	28,257	25,584	118,410	101,569
Nissan	19,205	23,213	71,991	96,325
Mazda	14,112	7,024	44,424	31,269
Isuzu	9,606	7,384	30,678	23,203
Mitsubishi	4,966	3,289	11,506	9,472
Suzuki	2,875	0	12,187	0
Imports	78,941	66,494	288,196	261,857
Industry Total	383,232	366,469	1,427,811	1,466,564

*Mazda 626 sedan domestically-built units in Tennessee

Cummins shows high-output engine

Continued from Page 13

Owners must have the engine Compuchek-inspected every 80,000 miles as part of the coverage agreement.

Cummins has been improving its Compuchek system. Recently, it began using floppy disk drives that allow tests to be completed faster and new software that upgrades testing capabilities and expands its data base to include specifications for all its engines.

Cummins Cash & Information Services, Inc., Arlington, Tex., also has been expanding.

It offers the trucking industry an electronic fund-transfer system. More than 600 trucking companies are using it to allow drivers to buy fuel and oil on credit and still get cash prices, to pay for emergency repairs and to receive cash settlements and advances.

The CCIS system also can be tailored to company needs.

The CCIS electronic network connects 3,500 truck stops and 4,500 Cummins dealers and distributors with its Dallas Service Center which are manned around the clock.

Champion lays off 125 at Michigan, Ohio plants

TOLEDO—Champion Spark Plug Co. announced the indefinite layoff of 125 workers at two of its production facilities.

Affected were 65 employes at the Detroit plant and 60 at the Toledo facility. A Champion spokesman blamed the layoffs on "a production adjustment to reflect current sales projections."

DAMAGE REPAIR COSTS*

5-MPH crash tests, 1986 small 2-door models

Make and Model	Base Price (2/15/86)	Front into Barrier	Rear into Barrier	Front into Angle Barrier	Rear into Pole	Total Damage in All Tests
Ford Escort	$6,052	$ 0	$ 0	$192	$ 169	$ 361
Mazda 323	5,645	0	0	240	153	393
Toyota Celica	9,398	0	0	176	254	430
Plymouth Colt	5,633	0	0	319	224	543
Chevrolet Chevette	5,645	0	0	417	149	566
Toyota Tercel	5,598	0	0	291	319	610
Toyota Corolla	8,408	0	0	399	364	763
Renault Alliance	5,999	0	0	466	385	851
Nissan Pulsar	8,749	97	0	506	283	886
Dodge Charger	6,787	113	91	500	183	887
Volkswagen Scirocco	9,980	320	348	94	214	976
Mitsubishi Cordia	8,949	125	0	608	306	1,039
Honda Civic	5,649	0	155	426	543	1,124
Volkswagen Jetta	8,325	135	170	533	429	1,267
Mazda 626	9,245	0	42	515	771	1,328
Chrysler Laser	9,364	175	104	426	710	1,415
Chevrolet Sprint	5,380	92	164	454	715	1,425
Nissan Sentra	5,649	147	338	463	496	1,444
Nissan 200-SX	9,549	0	0	884	592	1,476
Volkswagen Golf	7,350	86	269	543	644	1,542
Isuzu I-Mark	7,149	72	155	484	833	1,544
Subaru DL 3-Door	7,960	179	0	745	1,124	2,048
Yugo GV	3,990	256	399	686	856	2,197

*Repair costs are rounded to the nearest dollar. Estimates were prepared in April, 1986, by two independent damage appraisers using ADP Collision Estimating Services with a labor rate of $20 per hour. Criteria for bumper face bar damage were adapted from the U.S. Department of Transportation Part 581 Bumper Standard in effect 9/1/79 - 7/5/82.

SOURCE: Insurance Institute for Highway Safety

Crash costs listed

WASHINGTON—Only nine of the 23 small cars tested by the Insurance Institute for Highway Safety in 5-MPH crashes received no damage in front and rear flat-barrier tests.

IIHS said all 23 were damaged —some extensively—in two other 5-MPH tests, front-angle-barrier and rear-pole.

The strength of the bumpers cannot be ascertained from the price of the 1986 cars, IIHS said.

All 23 were popular small two-door models with base sticker prices of less than $10,000. But IIHS found no relationship between sticker prices and the amount of damage from the test.

The base price of the Ford Escort is in the $6,000 range, yet it sustained the least damage ($361) in the four tests.

In contrast, IIHS said, three of the 12 cars with more than $1,000 damage (Mazda 626, Chrysler Laser and Nissan 200-SX) cost more than $9,000.

Jim DeVoe, President
Auto Credit/
DeVoe Chevrolet-Cadillac

DO YOU WANT TO RAISE USED CAR GROSS $200,000 to $850,000?

BUY HERE-PAY HERE
Seminar Available

(1 Hour "Convert your finance turn downs and less expensive used cars into a major profit center" Presentation on VHS Tape - $300)

"THIS IS A NEEDED PROGRAM"
Jackie Cooper of Jackie Cooper & Assoc.

This Program is applicable to both new car dealerships & independent used car dealerships, domestic or foreign.
6 Year-Old Proven, Highly Successful Operation.
Outlined & Detailed So You Can Decide If You Want To Be In The BH-PH Business In Your Store.

Please call or write
Jim DeVoe, President
Auto Credit
1307 Wabash Ave.
Marion, IN 46952

THE DeVoe TEAM
317-664-1275

Owner touches off Toyota recall

MONTPELIER, Vt.—A Vermont motorist's complaint last year that the left rear wheel of her 1982 Tercel had buckled under the car has triggered a voluntary recall of some 144,000 vehicles by Toyota Motor Sales U.S.A., Inc.

The motorist, Jo Ann Troiano, executive director of the Montpelier Housing Authority, was so pleased with the way Toyota handled the problem, she bought another Toyota.

The recalled Tercels will be checked for corrosion problems in the rear suspension arms, which will be repaired or replaced as necessary. The recall covers 20 states and the District of Columbia, where salt is used to clear roads in winter.

The recall covers 1980-82 Tercels. The car was redesigned in 1983. Similar suspension systems are not used in other Tercels or in other Toyota models.

States covered by the recall are Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia and Wisconsin and the District of Columbia. Two Canadian provinces also are covered.

Owners living in other states who may have driven their Tercels in the salt belt during winter may bring in their cars.

Troiano's accident occurred in October, 1985. She had her car towed to a garage and called her local Toyota dealer, who contacted Toyota Motor Sales.

She paid $500 to have her car repaired and was told she would be reimbursed in two months.

"Being a bureaucrat," she said, "after two months I wrote to my dealership and sent the attorney general a copy of my letter.

"A week after I sent the letter, the assistant attorney general—who is an acquaintance of mine—called the dealer and was told the check was in the mail. I got it just before New Year's," she said.

Troiano said she then bought another Toyota—a second-hand Starlet. "I'll keep buying them," she said. "I've owned six of them. I think Toyota did a great job—they didn't have to be coerced or hauled into court.

"The attorney general was very pleased with the way they handled it. The Highway Transportation people (NHTSA) said it wasn't a problem. They said it was a rust problem, not a safety problem," she said.

Toyota Auto Body is new name of plant

LONG BEACH—Toyota's truck-bed manufacturing and assembly plant here, formerly known as Toyota Motor Mfg., has been renamed Toyota Auto Body (TAB), Inc., of California.

Toyota Auto Body began operations in 1972 and has since built more than one million truck beds. Annual production averages more than 125,000 units.

NHTSA finds Gazelle belts below standard

WASHINGTON—NHTSA has made an initial finding that the seat-belt systems in vehicles made by Vintage Reproductions, Inc., North Miami, Fla., do not meet the federal safety standard.

NHTSA said all Gazelles built by Vintage between Oct. 1, 1983, and Nov. 1, 1985, are not equipped with lap belts that adjust with emergency-locking or automatic-locking retractors. About 265 cars are involved.

In 1982, Vintage was given a temporary, one-year exemption on condition it would bring the cars into compliance by Oct. 1, 1983. A NHTSA inspection found that had not been done.

The safety agency denied a petition for a further waiver and also rejected a request that the noncompliance be found inconsequential. A public hearing has been set for June 3.

Nissan to cancel pact with Fuji on auto output

TOKYO—Nissan Motor Co. plans to cancel an agreement with Fuji Heavy Industries, Ltd., for the production of 60,000 Nissan cars annually at Fuji facilities here.

A Nissan spokesman said the move is due to pinched production capacity at Fuji facilities and unused capacity at Nissan plants, because of increased production overseas.

Analysts said the action reflects Nissan's sluggish domestic sales.

The two firms are expected to reach a final decision this summer. Nissan plans to move the production to its plant in Tochigi, Japan.

Fuji produced some 60,000 of Nissan's 1,500-cc Pulsar models in the fiscal year ended March 31. The cars accounted for 10 percent of Fuji's total production and almost 5 percent of sales.

TUESDAY-JULY 29

Fred Wagenhals
President, F.W. Leisure Industries, Inc.
"Finding a 'Neat Little Niche' in the Automotive Market"

One more reason to attend the 1986 World Congress

Our influential faculty of 36 automotive opinion leaders speaking at the 1986 World Congress—they're 36 good reasons for you to attend. You'll hear car and truck manufacturers, suppliers, dealers, importers, labor, and government. You'll have an opportunity to meet them and ask questions—and be a part of an event that will shape the future of the automotive world.

The Automotive News World Congress allows you to step back from the day-to-day and look at the future. And that gives you an edge in business. World Congress is four days of useful, practical business knowledge. Attend the 11th Annual Automotive News World Congress, July 27-30, at the Hyatt Regency Dearborn. Call now for information on how you can register.

Automotive News World Congress

For further information, call Sandy de Peyster (313) 446-6000

factories list auction dates

American Motors

May 20—D-A Auto Auction, New Stanton, Pa.

May 21—Kansas City Auto Auction, Kansas City, and Metro Milwaukee Auto Auction, Caledonia, Wis.

May 22—Fredericksburg Auto Auction, Fredericksburg, Va.; Evansville Auto Auction, Evansville, Ind.; Corry Auto Exchange, Corry, Pa., and Northway Exchange, Inc., Clifton Park, N.J.

May 27—Aptco Auto Auction, Taylor, Mich., and High Point Auto Auction, High Point, N.C.

May 28—Columbus Fair Auto Auction, Columbus, Ohio and Mid States Auto Auction, South Bend

May 29—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

May 30—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

May 20—Hatfield Auto Auction, Hatfield, Pa., and Florida Auto Auction of Orlando, Ocoee, Fla.

May 21—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, Ohio; Dallas Auto Auction, Grand Prairie, Tex.; South Seattle Auto Auction, Kent, Wash., and Denver Auto Auction, Englewood, Colo.

May 22—Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis, and Aptco Special Wreck Sale, Taylor, Mich.

May 23—Floyd Hauhe Auto Auction, Bridgeton, Mo.

May 27—Hatfield Auto Auction, Hatfield, Pa.

May 28—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Minneapolis Auto Auction, Plymouth, Minn., and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

May 29—Northway Exchange, Inc., Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Aptco Auto Auction, Taylor, Mich.; Arena Auto Auction, Chicago, and Golden Gate Auto Auction, Fremont, Calif.

Ford Motor Co.

May 20—South Seattle Auto Auction, Kent, Wash.

May 21—Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C.

May 22—Baltimore-Washington Auto Exchange, Baltimore, Md.; Houston Predelivery Center, Houston, and Floyd Hauhe Auto Auction, Bridgeton, Mo.

May 29—Skyline Auto Exchange, Fairfield, N.J.

General Motors

May 20—Aptco Auto Auction, Taylor, Mich., and 166 Auto Auction, Springfield, Mo.

May 21—Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn., and Brasher's Salt Lake Auto Auction, Salt Lake City

May 22—Arena Auto Auction, Chicago, Ohio Auto Auction, Columbus, Ohio

Used Car Sales
Auction Averages

May to date	$5,134
Month ago	$5,038
Year ago	$5,224

Model Breakdown
Auction Averages

	MAY 1986	APR. 1986	MAR. 1986
1986	$11,447	$11,490	$10,173
1985	$8,738	$8,883	$8,774
1984	$6,309	$6,363	$6,248
1983	$5,585	$5,515	$5,370
1982	$4,358	$4,308	$4,213
1981	$3,454	$3,458	$3,382
1980	$2,535	$2,516	$2,477
1979	$2,282	$2,199	$2,248
Overall Average	$5,134	$5,093	$4,932

Auction adopts tough stance on odometer tricks

FREDERICKSBURG, Va.—Fredericksburg Auto Auction has taken steps to help eliminate odometer tampering.

It said it will:

1. Suspend any dealer guilty of selling cars with doctored odometers if the dealer has knowledge of the tampering.

2. Require any dealer—either guilty or innocent—who sells a car where odometer tampering can be confirmed to repurchase the vehicle, reimburse the buyer for reasonable handling expenses and pay a penalty of $100, which will be given to the buyer to defray other expenses.

3. Investigate the chain of ownership on suspected problem titles or cars. If odometer irregularity is confirmed, the seller will be required to repurchase the vehicle and pay reasonable handling expenses plus a penalty fee of $100 to the buyer.

4. Check all titles closely for alterations or erasures.

used-car auction directory

Display Rates: $75.50 per column inch (minimum space 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type—1 time, $23.75; 13 times, $22.00; 26 times, $20.00; 52 times, $15.75. For Frequency Display Rates contact Want Ad Dept., Automotive News, 1400 Woodbridge, Detroit 48207. Phone (313) 446-6065. Closing: 12 days in advance.

AUCTION SCHOOLS

Mendenhall School of Auctioneering. America's Top-Quality Auction School. Vet Ap. Free Cat. Write or Call. P.O. Box 7344, High Point, N.C. 27264. (919) 887-1165.

ARIZONA

Southwest Auto Auction. Lease/fleet accounts and bank repos welcome. Member NAAA and NAFA. 3420 South 48th St., Phoenix, 602-894-2211. Since 1971.

COLORADO

Denver Auto Auction, 4285 South Santa Fe, Englewood, Colorado 80110. Sale every Wednesday, 11 a.m sharp! 303-761-1410.

FLORIDA

Lakeland Auto Auction, I-4, SR 33, P.O. Box 3806, Lakeland, Florida. Sale every Wednesday. 813-984-1551. "Profit the Lakeland way."

FLORIDA

Gulf Coast Auto Auction, 1319 61st Ave. E., Bradenton, Fla. 34203. 813-756-8478. Complete service fleet & lease accounts. Contact: J. Omar Landis, Henrietta Letty.

FLORIDA

Sanford Auto Auction. I-4 St. Rd. 46 Exit, 51 E., P.O. Box 997, Sanford, FL. Sale every Thurs. at 6:30. Ph: 305-323-4090. Fastest growing auction in the Southeast.

ILLINOIS

Greater Chicago Auto Auction. Every Thursday—1 P.M. Sharp. 800—1,000 cars & trucks. 312-597-3600.

INDIANA

Evansville Auto Auction & Recon Center—Fleet & Lease car specialist—Nationwide pickup. 812-425-4576. P.O. Box 2409, Evansville, Indiana 47714.

INDIANA

Mid States Auto Auction, 25784 Western Ave., South Bend IN 46619, 219-289-7767, Jim Seder. We spec. in fleet & lease accts. Complete recon. P.U. unlimited. Weds.

LOUISIANA

Bob French's Shreveport Auto Auction. 1315 Grimmet Drive, Shreveport, La. 318-222-5784. Thurs. 1 P.M. We cater to Lease & Fleet accounts. Since 1953.

MINNESOTA

WEDNESDAY 12 NOON SALE DAY
May 21—Spring Party Sale. Big Bucks Repert-up, 2,000 cars & trucks. Thousands of dollars cash to be given away.
May 23—Thurs., 5 PM sharp—Fleet Sale. Complimentary Country Buffet, 4 PM.
May 28—Mid-A Direct "Sold" Sale. 200 absolute sold vehicles. No minimums, no protects. 10 AM sharp.
Chrysler Factory Sale. 250 vehicles. 11 AM.
6 Lanes of Selling

Minneapolis Auto Auction
1125 Nathan Lane North
Minneapolis, MN 55441
612 / 546-2403
The Auction with the Action!!

MAINE

M.A.D.E. Auto Auction, Exit 11 Maine Turnpike, Gray, Maine. 4-lane, sale Tues. at noon, Weds. to 7 PM. Fleet-lease-pickup recon for N.E.A. J.C. Heim, 207-657-2000.

MISSOURI

Floyd Hauhe Auto Auction & Recon Ctr.—fleet & Lease car spec.—Nationwide pickup. 314-739-1300. 12000 St. Charles Rd., Bridgeton, St. Louis, MO 63044.

NEW YORK

Northeast Auto Dealers Exchange, Inc., Rte. 17K, P.O. Box 2426, Newburgh, NY. 914-562-0700. Every Tuesday, 11:30 AM sharp. Serving metropolitan New York area.

NEW YORK

Northway Exchange, Inc., Rte. 146, Clifton Park, N.Y. Auction, 518-371-7500; Recon, 371-7800. Northeast's Finest - Every Thursday, 11:30 A.M. sharp.

NEW JERSEY

WE SELL FOR THE COUNTRY'S LEADING LEASING CO.'s • FLEETS BANKS • FORD MTR. CO. • GMAC

SKYLINE AUTO AUCTION
100 Route 46, Fairfield, N. J. 07006
(201) 227-0100
6 Lane Selling Every Tuesday

OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. Call: 614-871-2771

OHIO

Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

OHIO

Cincinnati Auto Auction. We service fleet & lease co's. Recon facilities, p.u. & del., 300 mi. Reg. sale Fri., 12 noon, Repossessed car sale 2nd & 4th Thur. 513-874-9310.

OREGON

Portland Auto Auction. Fleet & lease accts. welcome, repos, etc. The West's best. Call: Bert, 503-286-3000. 3000 No. Hayden Island, Portland, Oregon 97217.

PENNSYLVANIA

EVERY MONDAY
1:30 SHARP!
SERVING DEALERS AND FLEETS
SCRANTON — WILKES-BARRE AUTO DEALERS EXCHANGE INC.
PHONE (717) 961-3900

PENNSYLVANIA

Hatfield Auto Auction
Route 309, Box 309
Hatfield, Pa.
FLEET & LEASE
From quick pickup to condition report to recon to sale. 21 years servicing the industry. Contact: Nelson Floyd, Paul Cleveland or Mort Gallub.
215-822-1935
Sale Every Tuesday, 11 A.M.

PENNSYLVANIA

GARDEN SPOT AUTO AUCTION
EPHRATA, PA.
SALE TUESDAY, 10:30 A.M.
FULL SERVICE AUCTION
Out of state fleet & lease accounts welcome
Contact: J. Omar Landis, Jim Landis
P.O. BOX 501, EPHRATA, PA. 17522
717-733-7917

PENNSYLVANIA

P A D E — Every Wednesday
SERVING DEALERS AND FLEETS SINCE 1957
Pennsylvania Auto Dealers' Exchange, Inc.
P.O. BOX 41 YORK, PA 17405
PHONE (717) 266-5611

SOUTH CAROLINA

Bruce Auto Auction & Recon Center—Fleet and Lease car and truck disposal our thing. AAA credit. 803-242-3090, Greenville, South Carolina.

SOUTH CAROLINA

Rawls Auto Auction — Since 1938. Pickup, delivery unlimited. Recon facilities. Sale every Tues., 11 A.M. 803-657-5111 or 657-7244, Laesville, South Carolina.

TEXAS

AUTOMOBILE AUCTION
For Sale
3-Yr.-Old Facility — 12 Acres
Located West Texas
Asking $2 million, make offer
214-642-3900 — Day
214-641-1110 — after 7
915-698-4301

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: Frank Post, 817-626-5494.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

GEORGIA

Atlanta Auto Auction
4900 Bullington Rd., Red Oak, Ga. 30272 • (404) 762-9211
GM
SPECIAL ATTENTION GENERAL MOTORS DEALERS
— MAKE PLANS ON ATTENDING NOW —
General Motors "Brass Hat" Auction
Wednesday, June 4th, 1986, 11:00 A.M.
General Motors Dealers Only
Approximately 300 "Brass Hat" units will be offered. All fully appearance reconditioned to General Motors Standards of Excellence.
Complimentary Breakfast, 8:30 A.M.
$1000 in Cash Prizes
For additional information, hotel reservations, free airport limo service - call Atlanta Auto Auction, 404-762-9211

TIME AUTO TRANSPORT
1-800-624-2021
313-545-2200 or 305-463-7024
or New Jersey 201-370-2070
1. 48 State ICC Auto Transp. Co.
2. Floating truck fleet covering 48 states
3. Fast, Competitive, Dependable Service
1-800-624-2021

Production

Auto output inches up to 165,628

By Kathy Boyer
Detroit Reporter

Domestic auto production was pegged at 165,628 units last week, 3.77 percent more than the previous week's 159,604.

The prior week's build was the lowest output for any full work week this year.

Last week's production was 8.99 percent below the year-ago week's 181,995.

So far this year, 3,258,432 cars have been assembled, 4.51 percent below the 3,412,160 completed last year at this point.

Companies shared last week's targeted production as follows: General Motors, 54.42 percent; Ford Motor Co., 23.90 percent; Chrysler Corp., 14.61 percent; Honda of America Mfg. Co., 2.48 percent; New United Motor Mfg., Inc., 2.17 percent; American Motors, 1.21 percent, and Volkswagen of America, 1.21 percent.

Nissan's car line in Smyrna, Tenn., remains idle for model changeover.

After being down for two weeks for inventory adjustment, GM's Norwood (Ohio) plant resumes production today (May 19).

Chrysler's Sterling Heights (Mich.) plant resumes production today. It had been idle since mid-March for facility changes to prepare for the new Dodge Sundance and Plymouth Shadow.

The plant builds the Chrysler LeBaron GTS and Dodge Lancer. The Sundance and Shadow will not be produced until the 1987 model year.

GM increased its indefinite layoffs by 1,000, bringing the total to 16,000.

A GM spokesperson said the new layoffs, at several component plants, are due to the previously announced adjustments at assembly plants.

Ford's Capri line at its Dearborn plant remained down last week due to a parts shortage.

All Ford plants except Atlanta are slated for daily overtime this week.

Saturday (May 17) overtime was scheduled at Chrysler's Belvidere (Ill.) plant. Belvidere and the Newark (Del.) facility are slated for daily overtime this week.

Truck production is highest of year

Targeted domestic output of 76,061 trucks last week was the highest since the week of Dec. 14, 1985, when 83,892 trucks were built.

Last week's estimated output was 4.33 percent more than the previous week's 72,901 and 0.40 percent more than the year-ago week's 75,760.

Year-to-date, 1,399,499 trucks have been assembled, 3.56 percent more than the 1,351,342 completed last year at this point.

General Motors slated Saturday (May 17) overtime at its Baltimore and Detroit plants.

Ford Motor Co. scheduled overtime Saturday at its Norfolk and St. Louis plants.

All Ford plants are slated for daily overtime this week (May 19).

Car, truck output slows in Canada

Production of cars and trucks in Canada slowed last week.

General Motors' Oshawa (Ont.) plant was down Friday (May 16) for a postponed Easter holiday, and Saturday overtime was suspended at Chrysler's Pilette Road plant in Windsor.

Last week's estimated auto output of 23,668 units was down 6.21 percent from the previous week's 25,234 but was 8.52 percent more than the year-ago week's 21,809.

So far this year, 449,063 cars have been assembled, 11.84 percent more than the 401,510 completed last year at this time.

Canadian truck makers scheduled output of 16,881 units last week, 12.14 percent below the previous week's 19,213 but 6.03 percent above the year-ago week's 15,921.

Year-to-date, 367,537 trucks have been built, 3.82 percent more than the 354,029 assembled last year at this point.

All Canadian plants are closed today (May 19) for Victoria Day.

22 are 'Dealers of Distinction'

WASHINGTON—Twenty-two imported-car dealers have been named 1986 AIADA-Sports Illustrated Dealers of Distinction.

The dealers were cited for representing excellence in dealership performance and service to the industry, the community and the nation. Winners were honored at the awards banquet of the American International Automobile Dealers Assn.'s ninth annual American International Automotive Congress.

Henry A. Kissinger, former secretary of state, was the keynote speaker.

Award winners are: Kjell Bergh, Borton Volvo, Inc., Minneapolis; Bill Blume, Blume-Bellevue Volkswagen, Bellevue, Wash.; James Carnes, BMW Center, San Antonio; Russell M. Darrow, Russ Darrow-Madison, Inc., Madison, Wis.; Victor (Gene) Fisher, Overseas Motor Corp. of Fort Worth, Fort Worth; Thomas Freeman, Freeman Toyota, Santa Rosa, Calif., and Robert L. Germain, Germain Toyota, Inc., Columbus, Ohio.

Also: Siegfried Grimm, Siggi Grimm Motors, Inc., Tulsa; Marvin D. Hartwig, MHI Autocenter, Iowa City, Ia.; Michael R. Houx, Camelback Automotive Corp., Phoenix; Bruce Wallace, Scott Toyota, Scottsdale, Ariz.; E.D. (Sunny) King Jr., King Motor Co., Inc., Anniston, Ala.; Peter T. Mastro, Mastro Subaru Alfa Romeo, Tampa; David McDavid, David McDavid Nissan, Inc., Houston, and Dan McKinney, Dan McKinney Nissan, Inc., Jackson, Mich.

Additionally: Gary N. Olin, Qua Imports, Inc., Bedford, Ohio; Donald E. Reichert, Reichert Nissan, Inc., Wenatchee, Wash.; William Smythe, Smythe European, San Jose, Calif.; Horace K. Sowles Jr., Morong Falmouth, Falmouth, Me.; J.P. Thibodeaux, J.P. Thibodeaux, Inc., New Iberia, La.; Jim Vagim, Tall Man Subaru, Porterville, Calif., and Hal Watkins, Hal Watkins BMW, Carmarillo, Calif.

Hyundai exports soar 215 pct.

SEOUL, South Korea—Hyundai Motor Co. exported 86,826 vehicles during the first four months of 1986, a 215-percent increase over 27,547 during the same period in 1985.

Hyundai said its vehicle exports to the U.S., which began in January, totaled approximately 40,000 units during the four-month period. Exports to the U.S. are expected to reach 100,000 by the end of the year, the firm said.

Hyundai said it plans to ship some 200,000 cars this year. It said its plants, which have an annual capacity of 300,000 units, have been producing at maximum.

CANADIAN CAR	Week Ended May 17, 1986	Week Ended May 13, 1985	Week Ended May 10, 1986	May to Date	Jan. 1. to May 18, 1986	Jan. 1. to May 17, 1986
AMERICAN MOTORS	120	0	119	283	4,276	2,357
FORD MOTOR	11,643	10,900	11,399	27,534	197,923	218,682
GENERAL MOTORS	11,680	10,685	13,491	30,348	194,997	223,778
VOLVO	225	224	225	540	4,314	4,246
Total Cars, Canada	23,668	21,809	25,234	58,705	401,510	449,063

CANADIAN TRUCK☆	Week Ended May 17, 1986	Week Ended May 18, 1985	Week Ended May 10, 1986	May to Date	Jan. 1. to May 18, 1986	Jan. 1. to May 17, 1986
CHEVROLET	22,030	26,021	22,403	54,208	461,468	479,078
DODGE	2,500	4,703	1,749	5,014	82,462	11,289
FORD	32,498	27,610	30,351	74,811	479,036	574,160
GMC	7,483	8,679	7,352	17,517	140,514	143,163
NAVISTAR	1,630	1,739	1,589	3,741	32,095	29,428
JEEP	3,500	4,017	3,370	8,258	78,780	76,123
NISSAN	4,070	1,202	3,737	9,231	40,084	41,386
AM GENERAL*	50	50	50	120	970	972
MISCELLANEOUS*	2,300	1,739	2,300	5,520	35,933	43,900
Total Trucks, U.S.	76,061	75,760	72,901	176,420	1,351,342	1,399,499

CANADIAN TRUCK	Week Ended May 17, 1986	Week Ended May 18, 1985	Week Ended May 10, 1986	May to Date	Jan. 1. to May 18, 1986	Jan. 1. to May 17, 1986
AMERICAN MOTORS	725	0	856	1,917	0	8,229
CHRYSLER	7,680	7,427	8,724	19,839	164,590	169,789
FORD	3,648	3,682	3,642	8,719	69,331	69,056
GENERAL MOTORS	4,808	4,560	5,757	12,701	115,337	116,545
NAVISTAR	220	262	224	526	4,771	3,919
Total Trucks, Canada	16,881	15,921	19,213	43,704	354,029	367,537
N. American Trucks	92,942	91,681	92,114	222,124	1,705,371	1,767,036

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended May 17, 1986	Week Ended May 10, 1986	Week Ended May 10, 1985	May to Date	Jan. 1. to May 18, 1986	Jan. 1. to May 17, 1986
AMERICAN MOTORS	2,000	3,784	2,009	4,009	40,141	39,552
Renault Total	2,000	3,784	2,009	4,009	40,141	39,552
Alliance	1,700	2,660	1,782	3,462	24,328	17,927
Encore	300	1,134	227	527	15,813	2,625
CHRYSLER CORP.	24,200	32,174	25,212	59,031	546,498	540,362
Plymouth Total	8,900	9,588	8,656	20,835	159,607	159,280
Horizon	3,900	3,933	3,887	9,066	57,305	61,383
Reliant	3,900	4,035	3,466	8,840	72,402	69,583
Caravelle	600	1,143	741	1,715	22,345	21,696
Gran Fury	500	457	562	1,214	7,555	6,618
Chrysler Total	5,800	10,344	6,499	14,929	179,868	185,783
LeBaron	2,000	2,134	2,148	5,027	44,033	46,985
LeBaron GTS	0	2,606	0	0	37,648	26,930
Laser	600	1,624	801	1,724	21,775	20,726
New Yorker/E-Class	1,200	1,551	1,392	3,167	29,531	37,467
Fifth Avenue	2,000	2,429	2,158	5,010	46,879	53,695
Dodge Total	9,500	12,262	10,057	23,267	207,025	204,299
Omni	3,200	3,369	3,443	7,880	59,048	60,586
Aries	3,000	3,355	2,891	6,849	57,836	51,224
Daytona	1,000	1,503	1,198	2,674	19,438	20,776
Dodge 600	1,700	1,805	1,834	4,238	29,129	34,189
Lancer	0	1,764	0	0	27,824	24,637
Diplomat	600	666	691	1,825	13,750	12,887
FORD MOTOR	39,591	34,771	38,033	93,385	702,902	718,537
Ford Division	27,732	23,904	27,100	65,650	467,705	492,259
Escort	7,982	7,669	8,009	19,361	125,429	157,772
Mustang	4,572	4,385	4,628	10,800	72,319	79,419
LTD	0	3,985	0	0	99,249	0
Taurus	7,089	0	6,487	16,278	0	105,789
Thunderbird	3,675	3,930	3,580	8,735	84,169	66,251
Crown Victoria	0	0	0	0	7,122	0
EXP	0	0	0	0	3,838	0
Tempo	4,434	3,915	4,398	10,476	75,579	81,028
L-M Division	11,859	10,867	10,983	27,735	235,197	226,278
Mercury Total	8,169	8,175	7,312	18,909	169,488	153,643
Lynx	1,439	1,663	1,441	3,357	29,294	25,685
Capri	0	35	0	122	7,279	6,139
Marquis	0	2,083	0	0	49,065	0
Sable	3,265	0	2,441	7,028	0	50,049
Cougar	2,455	3,163	2,398	5,831	55,638	46,929
Grand Marquis	0	0	0	0	4,733	0
Topaz	1,010	1,231	1,032	2,570	23,479	24,841
Lincoln Total	3,690	2,692	3,671	8,827	65,709	72,635
Continental	410	380	406	980	11,796	8,225
Lincoln	2,789	2,018	2,755	6,622	46,654	54,485
Mark VII	511	294	510	1,224	7,259	9,925
GENERAL MOTORS	90,135	104,425	84,800	211,544	2,010,254	1,772,229
Buick Total	18,046	22,651	17,713	42,793	401,542	298,770
Skylark (X-car)	0	0	0	0	40,953	0
Skyhawk	1,830	2,878	1,911	4,499	43,521	34,860
Somerset/Skylark	2,590	2,663	2,571	6,184	50,793	40,720
Century	5,389	6,803	5,359	13,137	99,284	99,167
Regal	2,047	3,580	2,161	4,826	46,733	21,736
Wagon/LeSabre (rwd)	348	3,218	346	814	58,285	5,517
LeSabre	3,450	0	3,215	7,932	0	44,770
Riviera	847	1,457	649	1,759	26,198	9,270
Electra	1,565	2,052	1,501	3,642	37,795	42,130
Cadillac Total	8,643	7,226	8,138	20,024	149,467	127,808
Cimarron	640	615	680	1,549	11,583	10,628
Seville	789	647	574	1,617	16,440	7,715
Eldorado	789	1,278	594	1,627	30,579	9,152
Cadillac (rwd)	2,400	1,332	2,387	5,658	22,550	34,720
DeVille (fwd)	4,025	3,354	3,923	9,574	68,305	65,593
Chevrolet Total	25,709	33,257	23,574	60,354	697,047	567,660
Chevette	2,000	3,569	0	2,886	64,097	45,101
Cavalier	8,620	10,369	8,525	20,632	197,136	169,142
Celebrity	5,640	5,356	5,676	13,504	115,986	118,807
Camaro	2,805	5,005	2,835	7,649	93,337	83,224
Citation	0	0	0	0	28,697	0
Monte Carlo	2,285	3,167	2,187	5,338	63,198	46,358
Chevrolet	3,689	5,058	3,715	8,813	117,183	94,471
Corvette	640	693	636	1,532	17,415	10,757
Oldsmobile Total	21,009	28,036	20,866	49,936	503,137	448,880
Firenza	570	1,216	583	1,319	29,368	19,790
Cutlass Supreme	1,973	5,788	1,811	4,769	88,780	71,482
Cutlass Ciera	4,376	7,392	4,886	11,704	151,045	108,475
88 (rwd)	510	4,616	503	1,168	85,143	8,999
88 (fwd)	8,472	0	8,423	20,182	0	132,110
Olds 98	1,780	2,948	1,784	4,183	57,323	48,382
Calais	2,210	3,452	2,243	5,331	64,239	52,955
Toronado	615	644	473	1,280	17,259	6,687
Pontiac Total	16,731	15,255	14,709	39,436	259,061	329,111
Acadian**	0	321	0	249	5,565	6,131
2000 Sunbird	3,120	2,747	3,058	7,378	54,711	56,612
1000	1,320	531	0	1,771	12,199	11,128
Firebird	1,505	2,612	1,505	4,070	49,063	44,511
6000	3,255	1,553	3,280	7,625	15,895	60,404
Parisienne	993	1,690	804	2,385	27,232	31,860
Fiero	1,731	2,422	1,281	3,446	44,749	31,107
Grand Am	4,800	3,379	4,801	11,512	49,647	87,358
HONDA	4,102	3,105	3,880	9,513	64,045	72,061
NISSAN	0	664	0	0	3,950	21,517
NUMMI*	3,600	925	3,600	8,640	4,835	69,506
VOLKSWAGEN	2,000	2,146	2,020	4,834	39,535	34,666
Total Cars, U.S.	165,828	181,995	159,604	390,956	3,412,160	3,258,432
Total Cars, Canada	23,668	21,809	25,234	58,705	401,510	449,063
N. American Cars	189,296	203,804	184,838	449,661	3,813,670	3,707,495
N. American Trucks	92,942	91,681	92,114	222,124	1,705,371	1,767,036
NORTH AMERICAN Cars and Trucks	282,238	295,485	276,952	671,785	5,519,041	5,474,531

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

C2700-1

Automotive News

May 26, 1986

©Entire contents copyright, 1986, by Crain Automotive Group, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

60th year—$50.00 per year, $1.25 per copy

Mack, Ford form longer supplier ties

By Joseph Bohn
Truck Editor

Truck manufacturers like Mack and Ford are giving new meaning to the concept of "long-term supplier relationships."

They have singled out specific suppliers for high-volume, exclusive contracts for periods of five to 10 years.

Mack's new contract with Dana, for example, will award more than $2 billion worth of business to Dana during a 10-year period.

Ford's contracts, although on a smaller scale, are equally important to the companies involved.

Eaton-Clark's five-year contract is worth an estimated $285 million, double the amount the two companies supplied to Ford as independent entities.

Similarly, Rockwell's five-year contract will more than double its previous Ford business to an estimated $325 to $350 million.

Meanwhile, Ed Mabley, heavy-truck product development manager, Ford Truck Operations, said the only way for a heavy-truck manufacturer to make any "margins" or money in that cutthroat market is to reduce costs.

"You have to do it better and do it for less," Mabley said.

"Our objective with these people (suppliers) is 'cut your costs by 30 percent,'" Mabley added, the idea being for suppliers to keep a third of their savings and pass the other two-thirds along to Ford and its customers.

Ford expects 40 percent of the dollar value of its Kentucky-built trucks to come from worldwide sourcing by 1990.

That's up from "just a trace," or less than 5 percent currently, Mabley said.

Please turn to Page 51, Col. 3

Joe Wilsons

Big numbers at GM

GM Chairman Roger B. Smith told shareholders at the company's annual meeting that 1986 sales and revenues will exceed the "magic" number of $100 billion. Story on Page 3.

Chrysler America is a 'hidden' asset

By Mary Connelly
Detroit Reporter

Chrysler Corp.'s new lower-priced America models are off to a strange start.

Some dealers, spooked with more expensive 1986 Omnis and Horizons, are "hiding" the Americas. But customers are tracking down the new models and asking for them.

However, the measures being taken by some dealers may be unnecessary because a Chrysler spokesman said last week that dealers will be rebated the wholesale price difference between the 1986 and 1987 subcompact models as of June 1.

However, some dealers contacted by Automotive News said they had not been notified of the rebate plan and reported using larger tradein allowances, extra sales commissions and increased incentives along with downplaying the America to move 1986 inventories.

Some reported reduced profits or no profits from sales of 1986 Omnis and Horizons since the May 15 introduction of the $5,499 Omni and Horizon America, which are 1987 models.

"We're obligated to do it," a Chrysler spokesman said, referring to the rebate for 1986 models. "In the dealer agreement, it says we have to do it."

Asked when dealers were notified, the spokesman said, "Whether a letter went out last week or this week is a moot point.

Please turn to Page 49, Col. 1

Major benefits seen for Ford in Alfa Romeo tie

By Richard Johnson and Richard Feast
Automotive News Staff

Ford Motor Co. and Alfa Romeo have begun negotiating a deal that could give Ford a majority interest in the struggling Italian manufacturer.

The two auto makers have agreed to launch a joint study—lasting at least two months—to review "major benefits" the companies believe would result from an association.

In the U.S., last week's announcement was viewed largely as Ford's move to link with a prestigious European nameplate and a possible source of low-volume, upscale sports cars and design expertise.

Such associations have become trendy in Detroit. General Motors in January bought a majority interest in Lotus, the British specialty-car company, and will build a luxury two-seater convertible with Italy's Pininfarina. Chrysler has a partnership with Maserati that will yield a luxury convertible next year.

Statements released by the two companies last week stressed the importance of "preserving Alfa Romeo's unique Italian identity."

A brief statement from Ford last week cited its "interest in acquiring substantial equity in Alfa Romeo that could lead to a majority position if the study confirms the anticipated benefits."

According to the Ford announcement, "the vision of both companies includes preserving Alfa Romeo's unique Italian identity."

Alfa Romeo has lost money for 13 consecutive years and offers little in the way of financial or marketing muscle. It held only 1.5 percent of the European car market in 1985.

Please turn to Page 51, Col. 3

Outlook rosy for global auto market

By Michelle Krebs
Financial Editor

Collapsed oil prices, low interest rates and the U.S. dollar's decline have resulted in the most optimistic outlook for the world auto market in some time.

The forecast for car and truck sales in North America and Western Europe has been upgraded substantially, according to the Automotive News World Outlook.

The World Outlook is a service of Automotive News and Data Resources, Inc. The most recent forecast was published in January.

The latest World Outlook puts 1986 U.S. car sales at 10.9 million, an increase of 100,000 units since the last forecast. U.S. car sales have been upgraded by about a half-million units annually for the subsequent three years because of low oil prices and lower-than-expected interest rates.

That's good news for U.S. car makers, who will share in the expanded car sales, said DRI's U.S.-

Please turn to Page 50, Col. 2

Slow Start

Problems hamper GM's Hamtramck plant

By Michelle Krebs
Financial Editor

General Motors officials admit the new Detroit-Hamtramck plant may be a case of biting off more than the auto maker could chew.

"The task is greater than we thought," said Jan E. Tannehill, manager of the Buick-Oldsmobile-Cadillac product team responsible for the Detroit-Hamtramck plant. "We underestimated the job we had to do to bring up a new plant for a new complex product using complicated processes."

The plant, which makes the all-new Buick Riviera, Oldsmobile Tornado and Cadillac Seville and Eldorado, is producing 40 cars per hour on its two shifts. Full-line speed is 60 cars per hour. The plant started assembling cars last fall.

Tannehill admitted the plant is not on schedule based on the original projections. "We had hoped to be at 60 cars an hour in March, but that was way too aggressive," he said.

He denied that top GM management has pushed for volume at the expense of quality.

Lynn Minger took over as plant manager in February from Earl Harper who went on indefinite medical leave, after which he will retire. Minger is confident the plant will reach full production by the third week in July, after which the plant will be down during August for model changeover.

GM officials say the problems at the plant have been a combination of a new facility, a new product, new people and advanced technology.

The plant has more automation than most car plants. The plant boasts 2,000 computer-controlled

Please turn to Page 34, Col. 1

GM's Detroit-Hamtramck plant produces 40 cars an hour

BETHESDA MD 20814
4520 EAST-WEST HWY SIEB
CONGRESSIONAL INFO SERV
ACQ EDITOR SRI
ACQ EDITOR
030322908 0300 8621 COMP F02
*********5-DIGIT 20814

'I think as long as we keep the A-car fresh it can last for some time'

Photos by Joe Wissens

'We've been able to make some spending reductions in GM10'

'As to the right number of robots . . . we're constantly reassessing'

Bob Schultz

GM to stand pat on plants through 1990

By Michelle Krebs
Financial Editor

Before 1990, General Motors will put no more assembly plants into its GM10 mid-size car program than those already announced.

Robert J. Schultz, GM vice president in charge of the Chevrolet-Pontiac-Canada Group, said the four plants already designated will supply all of the GM10, or W-body, cars GM needs through 1990.

Those plants are Fairfax, Kans.; Doraville, Ga., and two in Oshawa, Ont. Originally, GM10 had aimed for seven plants.

"It is not seven plants for this timeframe," Schultz said. "We have alternatives we're looking at beyond 1989. We would expect that it could very well expand because of the expectations our marketing divisions have for these cars. But that would be beyond 1990."

Further, it appears that GM10, GM's largest new-car program ever, will not be a $7-billion project with each plant costing about $1 billion.

"It's not a $7-billion program today," Schultz said. "In every new program, we try to see if money is being spent wisely and appropriately, and we've been able to make some spending reductions in GM10."

Schultz acknowledged that some automation plans have been scrapped, but he called them modest cutbacks. GM has canceled some contracts for automation equipment, and suppliers expect there will be more cancellations.

"We feel that technology is essential to be competitive," Schultz said. "As to what is the right number of robots for 1986 and 1987, we're constantly reassessing that to look at the benefits and the rate at which we should introduce that technology."

Schultz said CPC likely will install only automation that has been proven in existing plants. New automation will go through trial runs before being phased in after the assembly line is running.

"What we're trying to avoid is bringing a lot of new technologies into a new assembly plant and compounding those risks all at one time," Schultz said.

The GM10 program has undergone a re-evaluation in recent months for a number of reasons. GM has been rethinking what divisions will sell what models and the timeframe for introduction of each model.

GM is trying to cut down the number of models it sells by not having every division sell every model of a specific line of cars.

Those plans have been finalized, Schultz said, though he refused to give details.

The first GM10 cars will be sold through Pontiac, Oldsmobile and Buick as 1988 models. They will replace the rear-wheel-drive G-bodies—Buick Regal, Chevrolet Monte Carlo, Oldsmobile Cutlass Supreme and Pontiac Grand Prix and Bonneville. Those models will be discontinued in 1988.

Eventually, the GM10 cars were to replace the A-body cars—the Chevrolet Celebrity, Buick Century, Oldsmobile Cutlass Ciera and Pontiac 6000.

However, those cars have sold well, another reason for GM to re-evaluate the GM10 program.

Schultz suggested the A-car will be around for some time and may receive a facelift.

"I think as long as we keep the A-car fresh it can last for some time," he said. "The A-car is an unbelievably strong car for us and a very important market."

Schultz said GM10 also has been re-evaluated because GM does not want several plants down for conversion at the same time.

"We've got to be careful that we don't wind up with dealers short of cars for some period of time," he said.

GM expects $100 billion in '86 sales

By Michelle Krebs
Financial Editor

General Motors Chairman Roger B. Smith said the auto maker will exceed "the magic" $100 billion mark for sales and revenues this year.

Smith made the prediction at the 78th annual shareholders meeting held in Detroit last Friday (May 23).

GM earned $4 billion in profits on $96 billion in sales and revenues in 1985.

Smith also predicted that the U.S. motor-vehicle industry will have sales of 15.5 million units this year.

He told shareholders that GM's major acquisitions and the majority of expense involved in GM's rebuilding are history. GM has spent more than $58 billion for new products and facilities in the last decade. GM's capital spending will amount to about $9 billion this year. Smith said capital spending will decrease in the future but will remain at substantial levels.

The subject of sales to the South African Government was raised in a shareholder's proposal. Smith said GM is discussing with the government the cessation of vehicle sales to the military and police.

GM opposed the shareholder proposal, but GM director Dr. Leon H. Sullivan, pastor of Zion Baptist Church of Philadelphia, favored it.

The shareholder proposal was defeated by a margin of 91 percent to 9 percent.

GM's request to lower taxes in local communities mainly in Michigan again was a hot issue at the meeting.

Smith responded to one shareholder by asking: "Did you add an extra $100 dollars to your income tax bill just because you like the federal government? We only want to pay our fair share and nothing more."

Smith defended GM's April price increase of 2.9 percent. He said that Honda has increased prices considerably more.

"That gives us a very big margin," he said, "We are not just in business for today; were in business for the long term."

In response to a shareholder's question about executive bonuses, Smith hinted that the formula may be revamped during the year to be based on more long-term goals, as Ford Motor Co. has done. The compensation system will be reviewed this year and may come up for shareholder approval at the next annual meeting.

Smith defended the hiring practices of its computer services subsidiary, Electronic Data Systems Corp. A shareholder accused EDS of discrimination in hiring based on a person's weight, age, medical history and past and present union affiliations.

Smith said, he would look into the accusations.

Smith said GM spent $978 million in advertising in 1985, up from $892 million a year earlier. Of the total, $672 million was in media spending, compared with $658 million in 1984.

Smith said air bags will be optional equipment on some 1988 Cadillacs. GM announced in February that air bags would be offered in 1988, but this was the first mention of a specific car.

Nissan's new Pulsar offers restyling, 4WD

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO—Nissan Motor Co. has introduced a new version of its Pulsar series that offers Japan's first viscous-coupling four-wheel-drive system as an option.

The car will be available in the U.S. this fall.

The optional 4WD system is said to offer "ease of operation and excellent traction even on low-friction surfaces."

This is the first full model changeover for Pulsar in four years. The cars feature a restyled exterior in three body styles, a redesigned and sporty interior and an engineering package that includes a new suspension and a 1.6-liter double overhead cam 16-valve engine.

Nissan has targeted 6,000 units a month for the domestic market, 11,400 for Europe and 4,500 knockdown kits for Australia, New Zealand and Greece.

The 4x4 system uses a viscous coupling to transfer torque to the rear wheels with a front-to-rear torque split designed to match operating and road surface conditions, to provide optimal traction, stability and ease of handling.

In explaining the advantages of the viscous-coupling automatic system, Nissan engineers said that, in operation, the rates of rotation of the front and rear wheels are constantly changing, in accordance with operating and road conditions.

Nissan Pulsar: Available with viscous coupling automatic 4WD

While turning—and even while traveling at a fixed speed on a dry road—a radial difference, or drive slip, occurs between the front and rear wheels and the rate of rotation of the front wheels is greater than that of the rear wheels, Nissan explained.

With the viscous coupling, torque is automatically transmitted to the rear wheels for a smooth and progressive split of the engine's output torque.

Nissan said that an advantage of the automatic, full-time system's simple construction is that the viscous coupling mechanism eliminates the braking phenomenon that occurs during tight cornering with part-time 4WD systems.

The viscous-coupling automatic full-time 4WD system was introduced last fall by Volkswagen at the Frankfurt Motor Show in West Germany.

The 4WD system is being supplied to Nissan by Viscodrive Japan, a subsidiary of Viscodrive of West Germany.

index

Advertising news	48
Auction reports	38-39
Classified advertising	40-47
Dealing with dealers	12
Editorial page	10
Obituaries	54
Production by maker	55
Registrations, car	16
Registrations, truck	12, 22
Truck highlights	20

60th year—No. 5129

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Month's registrations 2nd highest

By Jenny L. King
Detroit Reporter

New-car registrations in the U.S. in February were the second highest in history and climbed 5.33 percent above the year-ago level.

Imports, with continued strong sales, gained more than three percentage points, moving up to 28.76 percent from 25.60 percent in 1985.

February registrations compiled by R.L. Polk & Co. totaled 822,143, up more than 40,000 units from 780,509 a year earlier and second only to 842,857 recorded in 1973.

The February total consisted of 585,666 domestics and 236,477. Domestics were up 0.86 percent from last year, and imports were up 18.35 percent.

Chrysler was down to 9.38 percent of the total from 11.98 percent in February, 1985. Ford Motor Co. was down 1.51 percentage points, and American Motors dropped 0.65 percentage points while General Motors gained 1.61 percentage points.

Second to the imports' 28.76-percent share in February were U.S. intermediates at 28.26 percent, followed by compacts at 16.82 percent, subcompacts at 10.72 percent, luxury cars at 8.53 percent and standard-sized models at 6.91 percent.

Excluding imports, the February market class breakout included 39.66 percent intermediates, 23.61 percent compacts, 15.05 percent subcompacts, 11.98 percent luxury cars and 9.70 percent standard-sized models.

New-car registrations at the end of two months totaled 1,734,787, up 11.08 percent from 1,561,715 a year earlier, and up 13.42 percent from 1,529,558 in 1984. Domestics were up 5.59 percent this year to 1,220,905 from 1,156,277 after two months of 1985. Imports rose 26.74 percent to 513,882 from 405,438.

The imports and GM were the only segments to expand their shares of the market at the end of two months.

Imports gained 3.66 percentage points, growing to 29.62 percent from 25.96 percent of the total U.S. market. GM's increase was more modest, up 0.39 percentage points, while Ford dropped 1.45 percentage points, Chrysler fell 1.93 percentage points and AMC was down 0.67 percentage points.

NEW-CAR MARKET SHARES IN U.S.

	FEBRUARY					TWO MONTHS				
	Regis., February 1986	Percent Share of Market	Regis., February, 1985	Percent Share of Market	Pct. Pt. Change '86 vs. '85	Regis., 2 Mos., 1986	Percent Share of Market	Regis., 2 Mos., 1985	Percent Share of Market	Pct. Pt. Change '86 vs. '85
Chevrolet	119,930	14.59	112,789	14.45	+0.14	255,504	14.73	226,425	14.50	+0.23
Ford	98,778	12.01	96,726	12.65	−0.64	216,876	12.50	203,650	13.04	−0.54
Oldsmobile	87,166	10.60	75,714	9.71	+0.89	171,362	9.88	148,413	9.50	+0.38
Pontiac	65,186	7.93	51,556	6.60	+1.33	130,794	7.54	101,172	6.48	+1.06
Buick	59,741	7.27	63,583	8.15	−0.88	120,840	6.96	129,155	8.27	−1.31
Mercury	35,880	4.37	38,027	4.87	−0.50	74,578	4.30	76,210	4.88	−0.58
Dodge	28,839	3.51	37,650	4.82	−1.31	60,291	3.48	70,252	4.50	−1.02
Plymouth	24,686	3.00	30,434	3.90	−0.90	54,669	3.15	57,867	3.70	+0.55
Chrysler	23,554	2.87	25,425	3.26	−0.39	49,432	2.85	50,126	3.21	−0.36
Cadillac	23,297	2.83	21,125	2.70	+0.13	48,511	2.80	43,239	2.77	+0.03
Lincoln	11,583	1.41	13,676	1.76	−0.37	24,224	1.40	26,937	1.73	−0.33
AMC	7,018	0.85	11,761	1.51	−0.65	13,804	0.79	22,791	1.46	−0.67
GENERAL MOTORS	355,320	43.22	324,787	41.61	+1.61	727,011	41.91	648,404	41.52	+0.39
FORD MOTOR CO.	146,241	17.79	150,629	19.30	−1.51	315,678	18.20	306,797	19.65	−1.45
CHRYSLER CORP.	77,079	9.38	93,509	11.98	−2.60	164,392	9.48	178,245	11.41	−1.93
AMC	7,018	0.85	11,761	1.51	−0.65	13,804	0.79	22,791	1.46	−0.67
IMPORTS	236,477	28.76	199,817	25.60	+3.16	513,882	29.62	405,438	25.96	+3.66
MISC. DOMESTIC	8	0.00	26	0.00	−0.00	20	0.00	40	0.00	−0.00
TOTAL	822,143		780,509			1,734,787		1,561,715		

Automotive News analysis of new-car registrations based on R.L. Polk & Co. statistical report. Oklahoma for 1986 and 1985 based on manufacturers' sales records.

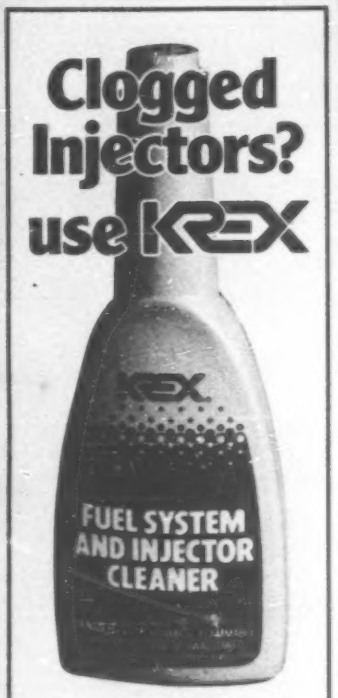
AUTOMOTIVE NEWS ANALYSIS OF NEW-CAR REGISTRATIONS

Based on R. L. Polk & Co. Statistical Report
FEBRUARY, 1986 VERSUS FEBRUARY, 1985

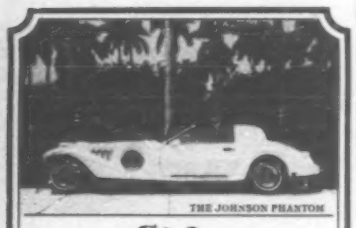
	1986 Month	1986 Year	1985 Month	1985 Year
AMC Alliance FWD	4,813	9,223	6,498	12,092
Encore FWD	1,404	2,819	4,215	7,891
Eagle 4WD	134	260	161	525
Eagle 4WD SW	667	1,482	887	2,283
TOTAL AMC	7,018	13,804	11,761	22,791
Chrysler Laser FWD	1,572	4,065	4,030	7,248
LeBaron GTS FWD	5,138	10,574	2,636	5,205
LeBaron FWD	7,257	14,101	6,211	12,167
LeBaron SW FWD	515	1,083	555	1,180
E Class-NY FWD	3,561	7,947	4,446	9,212
NY Fifth Ave-Newpt	5,511	11,662	7,547	15,114
Total	23,554	49,432	25,425	50,126
Plymouth Horizon FWD	6,443	13,368	10,217	17,452
Turismo FWD	3,285	6,755	5,965	9,583
Reliant FWD	8,683	21,471	7,976	17,621
Reliant SW FWD	2,574	5,359	2,390	5,025
Caravelle FWD	2,652	5,701	2,635	5,570
Gran Fury	1,049	2,015	1,251	2,616
Total	24,686	54,669	30,434	57,867
Dodge Omni FWD	5,363	11,142	8,281	14,000
Charger FWD	3,573	7,174	6,366	10,352
Daytona FWD	1,995	5,149	3,734	6,719
Aries FWD	5,931	13,414	7,584	15,587
Aries SW FWD	2,025	4,358	1,942	4,164
Lancer FWD	4,116	7,556	2,480	4,512
600/400 FWD	4,208	8,158	4,478	9,073
Diplomat	1,629	3,340	2,785	5,845
Total	28,830	60,291	37,650	70,252
TOTAL CHRYSLER CORP.	77,070	164,392	93,509	178,245
Ford Escort FWD	22,723	55,381	22,110	46,105
Escort SW FWD	6,392	14,887	5,621	11,882
EXP FWD	63	168	2,839	5,667
Mustang	11,253	23,832	11,954	24,871
Tempo FWD	23,586	50,544	21,225	42,424
Taurus FWD	6,200	11,733	0	0
Taurus SW FWD	2,296	3,836	0	0
LTD	4,167	9,298	10,129	21,989
LTD SW	1,028	2,410	2,959	6,252
LTD Crn. Victoria	7,188	15,611	9,733	19,131
LTD Crn. Victoria SW	1,339	3,003	1,920	3,914
Thunderbird	12,541	26,173	10,236	21,415
Total	98,778	216,876	98,726	203,650
Lincoln Town Car	8,786	18,175	8,392	16,860
Mark VII	1,331	2,870	2,217	4,088
Continental	1,466	3,179	3,267	5,989
Total	11,583	24,224	13,876	26,937
Mercury Lynx FWD	4,699	11,158	4,727	9,283
Lynx SW FWD	867	2,127	1,018	2,082
Capri	802	1,712	1,228	2,523
Topaz FWD	5,806	11,234	5,682	11,414
Sable FWD	3,130	5,725	0	0
Sable SW FWD	952	1,627	0	0
Marquis	1,886	4,334	6,517	13,021
Marquis SW	176	440	673	1,469
Grand Marquis	6,573	14,111	8,933	17,345
Grand Marquis SW	668	1,485	924	1,966
Cougar	10,243	20,625	8,325	17,107
Total	35,880	74,576	38,027	76,210
Lincoln-Mercury Division Total	47,463	98,802	51,903	103,147
TOTAL FORD MOTOR CO.	146,241	315,678	150,629	306,797
Buick Skylark FWD	0	0	7,899	16,234
Skyhawk FWD	3,529	6,255	5,432	10,827
Skyhawk SW FWD	295	686	517	1,047
Somerset Regal FWD	10,803	21,871	5,877	11,109

	1985 Month	1985 Year	1984 Month	1984 Year
Century FWD	18,274	38,094	12,865	26,608
Century SW FWD	1,613	3,370	2,005	4,171
Regal	8,622	14,851	8,670	16,696
LeSabre	0	0	10,099	21,125
LeSabre FWD	3,768	7,380	0	0
Electra FWD	10,613	21,365	4,847	10,175
Buick SW	913	1,988	1,160	2,459
Riviera FWD	1,311	2,990	4,212	8,504
Total	59,741	120,840	63,583	129,155
Cadillac DeVille	0	0	310	839
DeVille FWD	15,547	32,429	6,579	12,966
Cimarron	1,326	3,239	1,098	2,029
Fleetwood & Chassis	3,775	6,503	3,474	7,443
Fleetwood FWD	0	0	2,686	5,310
Eldorado FWD	1,636	3,848	4,730	9,824
Seville FWD	1,011	2,492	2,248	4,828
Total	23,297	48,511	21,125	43,239
Chevrolet Nova	13,454	26,625	0	0
Chevette	4,253	10,713	11,049	22,862
Camaro	10,428	21,531	15,058	30,039
Cavalier FWD	30,646	67,704	23,640	47,376
Cavalier SW FWD	5,271	11,922	5,246	10,524
Citation FWD	0	0	5,411	11,302
Celebrity FWD	25,357	52,965	17,728	34,706
Celebrity SW FWD	5,842	12,101	5,423	11,197
Monte Carlo	6,749	14,302	8,331	15,214
Impala	0	0	3,835	7,661
Caprice	12,841	26,564	10,400	21,602
Chevrolet SW	3,150	6,541	3,981	8,502
Corvette	1,939	4,536	2,687	5,440
Total	119,930	255,504	112,789	226,425
Oldsmobile Firenza FWD	1,887	4,680	3,288	6,764
Firenza SW FWD	353	837	767	1,582
Calais FWD	7,451	14,860	7,656	14,666
Cutlass Ciera FWD	26,078	53,839	18,953	34,906
Cutlass Ciera SW FWD	2,421	4,905	2,966	5,892
Cutlass Supreme-Calais	20,487	40,902	15,652	31,123
Delta 88	0	0	14,117	28,815
Delta 88 FWD	9,765	19,095	0	0
98 FWD	16,144	26,759	8,071	16,242
Oldsmobile SW	1,524	3,274	1,570	2,823
Toronado FWD	1,056	2,211	2,674	5,600
Total	87,166	171,362	75,714	148,413
Pontiac 1000	1,623	3,035	1,706	3,788
Firebird	5,871	11,920	6,972	13,375
Sunbird FWD	8,989	18,883	7,069	13,807
Sunbird SW FWD	468	1,019	602	1,246
Grand Am FWD	13,537	26,644	7,308	14,065
Bonneville	4,460	9,030	3,986	7,541
6000 FWD	13,456	27,511	8,669	17,077
6000 SW FWD	721	1,796	918	2,011
Grand Prix	4,139	8,483	4,238	8,067
Parisienne	5,275	9,432	3,613	7,710
Pontiac SW	1,041	1,974	936	2,085
Fiero	5,626	11,067	5,539	10,400
Total	65,186	130,794	51,556	101,172
TOTAL GM CORP.	355,320	727,011	324,787	648,404
Miscellaneous Domestic	8	20	26	40
Domestic Station Wagon Total	43,111	92,490	44,980	93,756
Domestic Grand Total	585,666	1,220,905	580,692	1,156,277
Import Total	236,477	513,882	199,817	405,438
Grand Total All Registrations	822,143	1,734,787	780,509	1,561,715

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report. Manufacturers' sales records used for compiling Oklahoma.



Krex, Inc., 89 Lincolnwood,
Highland Park, Illinois 60035
Tel. (312) 433-4450
(800) 323-9038


THE JOHNSON PHANTOM

Style.
Elegance.
Performance.

Johnson.

Luxuriously Appointed
Powered by a 5.0 liter V8
3 Stylish Models
Dealerships Available
High Profit for Dealers
Exclusive Territory
No Franchise Fees
No Parts Inventory

For complete information send this coupon to:
Johnson Motorcar Corp.
1708 Griffin Road, Dania, Florida 33004
(305) 925-9905
Next to Ft. Lauderdale Airport

NAME/TITLE
COMPANY
ADDRESS
CITY/STATE/ZIP PHONE

ALL NEW Toyota
"4Runner" Split Bench
by
FLEXSTEEL

- Toyota look-a-like
- Quality
- No risk with a national company

Exclusively for Select Vehicles
Brookfield, Wisconsin
414-781-7711

Newest truck models

New Iveco Z-450T

Iveco's new Class 6 Z-450T TurboDiesel has a 22,800-pound GVW. It comes in 126.0-inch, 149.6-inch and 173.2-inch wheelbases for maneuverability. Payload body allowance is 15,000 pounds. Its 6-cylinder engine has 150 brake HP at 2,700 RPM. Maximum torque is 339 pounds-feet at 1,600 RPM. It has 245/70x19.5 tires.

M.A.N. readying new truck line

German truck builder M.A.N.'s forthcoming new truck line for European and world markets features a flatter roof, narrower front grille and square window. The new models begin at the 12-ton range. Either an Eaton-designed semi-automatic manual transmission or a computerized automatic, based on a ZF Ecosplit 16-speed, may be offered.

Western's tower of power

Western Star's latest creation is this Premium Blue 444, named after its distinctive six-color paint job and Cummins' NTC 444-HP engine. Only 87 Premium Blues, aimed at owner-operators who favor its kind of power, will be built.

Isuzu, Grumman team up

Isuzu Truck and Grumman-Olson teamed up to produce a fuel-efficient, competitively priced multi-delivery truck. It features Isuzu's NPR chassis, is powered by a 3.9-liter turbocharged diesel and has Grumman's body design.

truck industry news

Heavy-truck downturn eases a bit

By Joseph Bohn
Truck Editor

Sales of Class 7 and 8 heavy trucks did a bit of a flip-flop in April, with Class 8 showing some improvement while Class 7 slowed from its earlier pace.

Table on Page 22

Generally, a shift in buying patterns has seen Class 8 customers moving down into 7. That has buoyed Class 7 and eroded the heaviest end of the market.

But in April, Class 8 retail deliveries of 10,424 were off 20.3 percent from 13,085 last year. That slowed the rate of loss that had been 21.3 percent in the first four months.

Manufacturers retailed 36,?53 Class 8s in the first four months against 46,044 in like 1985, according to the MVMA.

Meanwhile, Class 7 sales of 10,-202 in April were up 5.6 percent over 9,664 in like 1985.

That was a slowdown from the 7.2-percent increase for the first four months. Manufacturers retailed 33,531 Class 7s in the first four months, compared with 31,-284 a year ago.

Overall, Class 7 and Class 8 were off 9.3 percent in April, a bit less than the 9.8-percent decline recorded for the first four months of this year.

Among Class 7 manufacturers, GMC had 2,813 deliveries and Chevrolet, 1,078, giving General Motors a total of 3,891. That was up substantially from 2,302 last year.

The company began breaking out Chevrolet and GMC heavy-truck sales this year.

Mercedes-Benz had 147 sales, up from 94.

Ford declined to 2,837 from 3,-874 a year ago. Navistar retailed 3,055 Class 7s in April, off slightly from 3,083 last year.

Mack retailed 178, off from 198, and White, 94. off from 113 last year.

In Class 8, Volvo-White showed the only year-to-year gain in

Please turn to Page 21, Col. 1

Rockwell highlights new axles, computer

SAN FRANCISCO—Rockwell International has introduced a new line of single-speed and two-speed single-drive rear axles, a new Tripmaster Plus on-board computer system and an expanded line of remanufactured axle carriers.

In February, Rockwell introduced new RS-23-160 and RS-23-180 axles as its initial entries in the single-drive-axle world market for Class 8 on-highway trucks and tractors.

Four additional single-speed drive axles with gross-axle-weight ratings of 13,000 to 20,000 pounds and four two-speed axles with GAWRs of 15,000 to 23,000 pounds were introduced at the International Trucking Show here.

The previously announced RS-23-160 and RS-23-180 are slated to be available in North America in July.

The remaining single-speed and two-speed axles, introduced at ITS, become available Sept. 1 for 1987 models.

Incorporating worldwide engineering and design, the RS-23-160 and the RS-23-180 axles offer fleets a wide range of 14 gear ratios, superior pulling power and optional driver-controlled, full-locking main differential for maximum tractive capability.

The entire axle family originates from a unique modular design and manufacturing concept that integrates common housings, carriers and gear sets as much as possible.

Maximizing parts commonality produces economies of scale and subsequent cost-effectiveness for end-users, Rockwell officials said.

The RS-23-160 axle is targeted for inter-city pickup and delivery and line-haul applications, where GCWs typically remain at 80,000-100,000 pounds. Like the RS-23-180, this axle provides a wide range of 14 gear ratios.

The RS-23-180 is produced particularly for line-haul or on/off-highway vehicles with larger GCWs up to 120,000 pounds.

The RS-23-180, rigorously tested in Europe, also showed no disabling mechanical failure in 200 million miles of North American road testing.

Newly introduced axle models include the RS-13-120, RS-15-125, RS-17-140, RS-20-145 single speeds and the RS-15-210, RS-17-220, RS-20-230 and RS-23-240 two-speeds.

Ring-gear sizes range from 13.25 inches for the smallest model, the RS-13-120, to 19.62 inches for the largest model, the RS-23-180.

Truck applications for the new axles range from pickup and delivery and commercial service

Please turn to Page 21, Col. 1

Rockwell buys brake business

TROY, Mich.—Rockwell International has purchased Goodyear Aerospace's dry-disk-brake business.

Rockwell Automotive's Off-Highway Products and Driveline Division is transferring the technology and related production equipment to manufacture off-highway dry disk brakes from Goodyear's Berea (Ky.) plant to its York (S.C.) plant.

Rockwell will be able to produce dry disk brakes for construction, agricultural, mining, material handling, logging and other applications.

It also will be able to manufacture non-asbestos brake linings for highway and off-highway vehicles.

Three importers gain ground with big fleet orders

Isuzu Truck, Iveco Trucks and Saab-Scania of America have picked up sizeable fleet orders.

Scania delivered 24 transit buses, a $3.25-million order, to Madison, Wis.

Isuzu Truck will sell up to 200 NPR Class 3 diesel trucks to Budget Rent a Car Co., its first sizeable fleet order.

Budget will buy the trucks for its daily rental fleet.

Roadway Package System bought 101 Iveco rail chassis for the construction of multi-stop delivery vans to use in its growing package delivery business in Pittsburgh.

RPS also bought 34 Iveco rail chassis last year.

truck personnel

Isuzu Truck names Sannomiya president

Isuzu Truck of America, South El Monte, Calif., appointed **Shin Sannomiya** president and chief executive officer.

He succeeds **Shinichi Yamayoshi** who was promoted to assistant executive director of domestic sales operations for Isuzu Motors, Ltd., Tokyo, Isuzu Truck's parent company.

Sannomiya oversees all U.S. distribution, sales, marketing and financial activities for the company.

Most recently, he was manager of the North American department of Isuzu Motors, Ltd., North American Operations, primarily responsible for export sales. He has spent 27 years with the company.

Yukihiko Furukawa has been named vice president of engineering for Isuzu Truck. He directs and coordinates the company's engineering and product areas.

A 21-year veteran of Isuzu, Furukawa previously served Isuzu Motors, Ltd., as an experimental engineering manager and most recently as manager for product planning for heavy-duty trucks and buses.

Shin Sannomiya

Y. Furukawa

Robert Saastamoinen was named district sales manager for Isuzu's Western region.

He handles dealer sales in Washington, Oregon, Idaho and Montana.

He is a 20-year veteran of the trucking business.

Iveco names Hunter director of operations

Charles W. Hunter has been named director of operations for Iveco Trucks, Blue Bell, Pa.

He manages Iveco's operations department and its vehicle preparation center in Long Beach.

Hunter came to Iveco from Pocono Foundry, Inc., Stroudsburg, Pa.